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NATIONAL FOOD SITUATION

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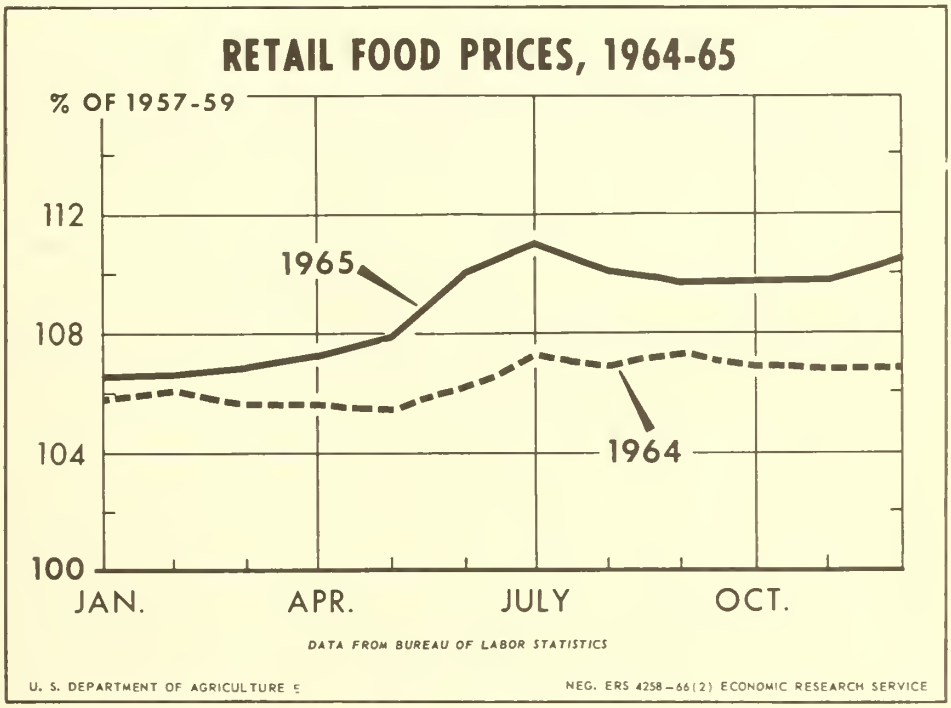
CURRENT SERIAL RECORDS

NFS-115 For Release February 15, A. M. FEBRUARY 1966

Retail food prices in 1965 averaged 2.3 percent higher than in 1964. Early in the year, prices were up less than 1 percent from the same year-earlier period. However, prices advanced significantly in early summer months as a result of higher prices for meats, fresh vegetables, and potatoes. Although average prices declined after July, they rose again in December because of price increases for several items, including meats, fresh vegetables, eggs, cereal and bakery products, and dairy products. December food prices averaged 3.5 percent above December 1964.



IN THIS ISSUE

The Maple Sweetener Situation

Food Around the World

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Table 1.--Volume of farm marketings and home consumption 1/

(Index numbers, 1957-59=100)

Item	1947-49 average	1958	1959	1960	1961	1962	1963	1964	1965 Preliminary 2/	1965 as a percentage of 1947-49	1965 as a percentage of 1964
Marketings and home consumption of all farm commodities	86	101	104	107	108	109	114	116	116	135	100
Food marketings and home consumption	87	100	103	104	107	107	111	114	115	132	101
Food marketings	82	100	103	105	109	109	113	117	118	144	101
Total food livestock 3/	79	98	103	104	108	110	114	118	118	149	100
Meat animals	81	97	103	105	108	110	116	121	119	147	98
Poultry and eggs	66	100	105	105	113	113	116	120	124	188	103
Dairy products	84	100	100	102	106	107	107	109	109	130	100
Total food crops 4/	98	104	105	108	110	107	110	113	117	119	104
Food grains 5/	102	114	106	117	114	102	111	119	121	119	102
Vegetables 6/	91	99	103	104	109	110	110	106	112	123	106
Fruit and nuts 7/	92	94	106	99	103	107	101	103	110	120	107
Sugar crops	78	97	105	105	115	117	152	154	148	190	96
Home consumption	161	100	94	87	81	75	73	67	63	39	94
Livestock	159	99	93	82	75	73	69	64	60	38	94
Crops	168	104	97	98	94	80	83	75	71	42	95
Nonfood marketings 8/	82	104	109	114	110	116	125	123	120	146	98

1/ Quantities of farm products weighted by average 1957-59 farm prices since 1955, 1947-49 prices in earlier years. Excludes Alaska and Hawaii. 2/ Indications for 1965 are based on calendar-year quantities estimated as of February 1, 1966. 3/ Includes honey. 4/ In addition to the crops listed below, includes peanuts, peppermint, popcorn, and spearmint. 5/ Wheat, rye, rice, and buckwheat. 6/ Truck crops for fresh use and processing, potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans, and melons 1955 to date. 7/ Except peanuts and, beginning 1955, melons. 8/ There are no nonfood items in the home consumption index.

Table 2.--Food consumption per capita 1/

(Index, 1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy, excluding butter	Fats and oils, including butter	Fruits 2/ Fresh	Fruits 2/ Processed	Fruits 2/ Total	Vegetables 3/ Fresh	Vegetables 3/ Processed	Vegetables 3/ Total	Potatoes and sweetpotatoes	Cereal products	Sugar and sweeteners	Coffee, tea and cocoa	All food Animal products	All food Crops 4/	All food Total
1910	96	49	107	82	70	101	148	14	80	114	24	85	208	149	54	65	87.2	87.0	86.9
1920	90	45	113	81	80	91	154	31	92	119	30	90	163	129	63	79	85.4	87.7	86.2
1930	85	52	97	89	83	113	145	35	89	126	47	100	138	131	85	81	86.3	95.7	89.9
1940	93	52	102	86	87	115	153	57	105	130	57	107	127	120	86	101	91.0	100.7	94.8
1941	94	56	108	84	90	116	161	53	107	129	61	107	134	121	94	104	92.3	103.6	96.7
1942	93	63	84	84	96	112	137	52	94	134	67	112	136	122	83	86	93.5	99.2	95.6
1943	98	78	75	92	96	97	122	45	84	139	61	114	137	135	77	81	96.2	98.7	97.0
1944	103	70	84	94	98	96	146	45	95	147	61	119	145	124	84	96	98.4	103.0	100.1
1945	97	76	94	107	104	91	144	57	101	150	74	126	129	130	69	100	99.4	104.0	101.0
1946	102	70	101	101	110	91	144	78	111	139	83	121	128	128	74	122	101.6	106.6	103.5
1947	102	64	96	104	104	97	149	67	108	127	76	111	126	115	94	108	100.0	103.8	101.4
1948	95	63	101	106	100	95	138	69	104	125	72	108	105	114	89	112	96.0	101.7	98.1
1949	95	67	102	105	99	98	135	73	104	118	75	104	109	113	91	115	96.1	101.5	98.1
1950	95	73	111	108	99	104	120	79	100	114	81	104	105	112	101	103	97.6	102.5	99.4
1951	90	77	106	109	99	94	125	78	102	111	84	103	105	115	94	105	95.8	100.8	97.6
1952	95	80	105	109	100	97	120	88	104	108	88	103	95	113	98	105	98.1	102.1	99.5
1953	102	79	103	106	99	98	113	90	102	106	91	102	100	110	97	107	100.0	101.6	100.5
1954	101	84	104	105	100	102	108	91	101	104	90	100	100	108	99	95	100.2	100.9	100.4
1955	106	79	97	104	101	103	103	98	100	104	96	102	101	102	100	96	101.7	100.4	101.1
1956	108	88	98	103	102	101	101	100	102	103	98	102	97	101	101	101	103.6	100.6	102.3
1957	102	94	97	102	101	99	101	103	102	102	98	101	98	99	98	100	100.6	99.6	100.2
1958	97	101	98	99	100	100	98	97	97	99	101	100	97	101	101	98	98.5	99.4	98.9
1959	101	105	105	99	100	101	101	100	101	98	101	99	105	100	101	102	100.9	101.0	101.0
1960 5/	102	102	102	94	99	99	98	104	101	100	102	100	109	99	102	101	99.9	101.6	100.7
1961 5/	101	112	102	91	97	99	95	102	98	99	102	100	110	98	102	102	99.6	101.1	100.3
1962 5/	102	110	102	91	97	99	90	106	98	96	107	99	114	97	103	104	99.9	101.1	100.4
1963 5/	105	112	101	89	98	100	82	97	89	96	107	99	119	97	102	106	101.2	100.8	101.1
1964 5/	108	115	100	88	98	103	88	93	90	94	109	98	122	98	103	103	102.9	101.1	102.1
1965 5/6/	104	122	100	87	98	101	89	102	95	94	108	98	121	98	103	100	100.8	101.6	101.1

1/ Civilian consumption, beginning 1941. Individual food items are combined in terms of 1947-49 retail prices through 1954, 1957-59 retail prices thereafter; indexes are linked at 1955. 2/ Excluding melons and baby food. 3/ Excluding soups, baby food, dry beans and peas, potatoes, and sweetpotatoes. 4/ Including melons, dry beans and peas, nuts, soups, and baby food in addition to groups shown separately. 5/ Incorporates data for Alaska and Hawaii. 6/ Preliminary.

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, February 7, 1966

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SUMMARY

Food expenditures in 1965 totaled $85 billion, up $5 billion from 1964, not counting expenditures for alcoholic beverages. The food expenditure gain reflected a 6-percent increase in total sales by retail food stores and a 10-percent increase in sales by eating and drinking places. The increase in total food expenditures was unusually large last year, but disposable income rose even more, so the percentage of income spent for food declined slightly. Food expenditures averaged $436 per capita last year, 18.2 percent of disposable income of $2,391 per capita.

Higher total food expenditures are explained by a 2.3-percent increase in retail food prices, military food procurement expanding faster than the military buildup, and greater marketing charges. Total civilian food use increased slightly though per capita food consumption was down 1 percent.

Food expenditures are expected to increase again this year, although the increase may not be as large as last year. Average retail food prices in 1966 are expected to show an advance comparable to that which took place in 1965. Per capita food consumption is expected to remain about the same as last year so total civilian use likely will be up only a little more than the expected 1.1-percent increase in civilian population. Military food needs likely will exceed the $1 billion spent in 1965.

Retail food prices climbed rapidly during early summer months last year and again in December as a result of farm and wholesale price increases. For the year, the 2-percent increase in retail food prices compared with a 4-percent increase at wholesale and a 5-percent increase in prices received by farmers for all commodities. The farm value of a fixed quantity of foods

originating on U. S. farms increased sharply last year at the same time that the farm-retail spread declined slightly.

Most of the increases in food prices last year were for livestock products. Reduced supplies of meat and other livestock products resulted in 4-percent higher retail prices and a 2-percent per capita reduction in consumption of these products. Pork supplies were particularly short; retail prices averaged 14 percent higher for the year. The generally tight meat supply situation resulted in an increase in average prices for poultry meat--despite increased supplies that resulted in a 7-percent increase in per capita consumption of chicken. Retail prices for fats and oils increased an average of 8 percent in 1965 due mostly to higher prices for soybean oil products.

Pork supplies are expected to remain relatively short until next fall when hog slaughter is expected to increase, resulting from the increase now underway in the spring pig crop. Relatively high meat prices can be expected through the summer months. Chicken production is continuing to increase rapidly but prices are expected to average around year-earlier levels until red meat supplies begin to increase.

Retail prices of foods from crops in 1965 averaged 1 percent higher than a year earlier and per capita consumption was up slightly. Potato prices jumped to record-high levels during spring and summer months as a result of reduced supplies from the previous fall's crop. But, prices dropped later in the year as the large 1965 fall crop came to market. Potato prices will remain well below year-earlier levels at least into the summer months this year as large storage supplies are worked down.

Fresh vegetable prices skyrocketed last spring because of temporary shortages of a few sensitive items such as lettuce. Prices of a few vegetables, such as tomatoes, jumped again in December because bad weather cut fresh supplies. But, for the year, average fresh vegetable prices were up only slightly. Weather damage at the end of January 1966 again caused prices to increase for some fresh vegetables. Canned vegetable supplies in early 1966 are smaller and prices are generally higher than a year ago, particularly for tomato products. Frozen vegetables are in plentiful supply but prices are mostly firm.

Fresh fruit prices averaged lower last year, primarily because of abundant supplies and lower prices for citrus. Larger crops of oranges and grapefruit again are being harvested this winter so prices for most kinds are below a year earlier and likely will remain relatively low in coming months despite light weather damage the end of January. The canned pack of noncitrus fruits was materially reduced last summer and fall so supplies of peaches, pears, and cherries at the beginning of this year were relatively low. Prices are above a year earlier and rising.

Per capita consumption of coffee dropped 5 percent last year to equal the postwar low. Prices receded slightly for regular coffee and dropped significantly for instant coffee.

DEMAND FOR FOOD

Demand Strong in 1965

Demand for food continued strong in 1965. Sources of strength in the demand for food last year included: (1) A rapidly expanding general economy coupled with an increased level of employment; (2) further growth in population; (3) expanded domestic food assistance programs; and (4) increased food procurement by the Armed Forces.

Since supplies were reduced, the strong demand last year resulted in increased prices. Total food consumption was only slightly greater than a year earlier. Although population growth slowed slightly, to an annual rate of 1.3 percent, per capita consumption declined. With the consumption decline and strong advance in demand, retail food prices rose about twice the usual rate and total food expenditures increased at a more rapid pace than usual.

Disposable personal income last year increased $30 billion over the 1964 level; over $5 billion of this increase, or 17 percent, went for buying food. The income gain came from many sources but the most important was the 7-percent increase in wages and salaries. Hourly earnings in manufacturing industries increased 3 percent and total employment, 4 percent. In turn, industrial production climbed 8 percent as industry moved closer to capacity operation and capacity itself continued to expand with the 11 percent gain in business fixed investment. Unemployment fell to 4.6 percent of the civilian labor force from 5.2 percent in 1964.

Industrial production of processed foods increased 2 percent in 1965, compared with a 3-percent gain in 1964. In December 1965, the food and kindred products industry employed about the same number of production workers as a year earlier; they worked about the same number of hours per week, but average hourly earnings increased from $2.40 to $2.45 and weekly earnings rose from $99.60 to $101.43. The weekly earnings increase of 2 percent was slightly less than the average for all manufacturing employees but about equal to the increase in volume of production.

Sales by food and kindred products corporations in third quarter 1965 were 9 percent greater than a year earlier, and profits after taxes were 7 percent larger. After-tax profits as a percent of stockholders' equity remained about the same as a year earlier for food and kindred products corporations, but increased from 11 to 12 percent for total manufacturing corporations.

Current Outlook

The overall demand for food is expected to push upward again this year. The military demand is expanding faster than that by civilians. Not only is the size of the military force expanding, but apparently military food procurement is gaining even faster.

Continued gains in consumer income are expected to bolster the demand for food again this year. Gross National Product increased strongly last year and a further advance is in prospect for 1966. Accordingly, a continued rise in output, employment, and consumer income is expected this year. Increased military requirements will be superimposed on a growing civilian economy. With per capita food supplies expected to be about in line with those of 1965, food prices are expected to average higher.

FOOD EXPENDITURES

Food sales increased strongly during fourth quarter 1965. Sales by retail food stores averaged 8 percent more than a year earlier, and sales by eating and drinking places spurted 14 percent. For the year, sales by retail food stores were up 6 percent from a year earlier. And sales by eating and drinking places were up 10 percent.

Because of these strong sales gains, personal consumption expenditures for food totaled $85 billion in 1965, according to recently revised data from the Department of Commerce (table 3). 1/ Expenditures in 1965 were up $5 billion, or over 6 percent, from the 1964 level. This year, food expenditures again are expected to increase significantly but not as much as in 1965. Per capita food expenditures averaged $436 in 1965, an increase of almost 5 percent from 1964. It compares with average per capita disposable personal income of $2,391.

Personal consumption expenditures for food do not include an estimated $3 to $4 billion spent for food last year by other purchasers such as business firms' expenditures for clients. Also, food expenditures do not include an additional $13 billion spent for alcoholic beverages last year (personal consumption).

Expenditures for off-premise consumption of food and alcoholic beverages totaled about $75 billion in 1965, a gain of about 5½ percent from a year earlier. But, expenditures for purchased meals and beverages totaled $21 billion for a yearly gain of 10 percent. These data do not include nonfood sales by retail food stores, but they do include food and beverage purchases from retailers other than retail food stores and eating and drinking places. 2/

Disposable personal income totaled $465 billion in 1965, up 7 percent from a year earlier. Since the increase exceeded the gain in food expenditures, the percentage of income spent for food declined slightly last year to 18.2 percent (table 3). A further decline is expected this year.

1/ Revisions for personal consumption expenditures for food and alcoholic beverages were made as part of the 1965 general revision of the National Income Accounts, based primarily on a commodity flow analysis of the 1958 censuses. As a result of the revision, 1963 expenditures for food were increased $0.4 billion and expenditures for alcoholic beverages were increased $0.6 billion. These net changes were the result of an upward adjustment of $2.5 billion in expenditures for food and alcoholic beverages for off-premise consumption and a decline of $1.5 billion for purchased meals and beverages.

2/ See S. J. Hiemstra, "Food and Beverage Sales by the Retail Trade," National Food Situation, NFS-114 (November 1965), pp. 24-29, reprinted as ERS-268.

Table 3.--Personal consumption expenditures for food and alcoholic beverages, 1929-65

Year	Food and alcoholic beverages						Food	
	Purchased for off-premise consumption	Purchased meals and beverages 1/	Food furnished commercial and Government employees 2/	Produced and consumed on farms	Total	Alcoholic beverages	Expenditures	Food expenditure as percentage of disposable income
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Pct.
1929	14,777	2,911	257	1,599	19,544	0	19,544	23.4
1930	13,500	2,788	245	1,443	17,976	0	17,976	24.2
1931	10,833	2,541	198	1,169	14,741	0	14,741	23.0
1932	8,203	2,102	160	900	11,365	0	11,365	23.4
1933	8,626	1,816	155	933	11,530	665	10,865	24.0
1934	10,757	2,248	185	1,027	14,217	2,000	12,217	23.3
1935	12,150	2,610	214	1,216	16,190	2,555	13,635	23.2
1936	13,929	2,985	236	1,291	18,441	3,175	15,266	23.1
1937	14,792	3,528	271	1,328	19,919	3,465	16,454	23.2
1938	14,082	3,392	247	1,136	18,857	3,270	15,587	23.8
1939	14,163	3,633	254	1,099	19,149	3,420	15,729	22.3
1940	14,891	3,888	278	1,105	20,162	3,600	16,562	21.9
1941	16,954	4,611	470	1,323	23,358	4,185	19,173	20.7
1942	20,108	5,670	933	1,647	28,358	5,080	23,278	19.9
1943	22,271	7,138	1,677	2,134	33,220	5,840	27,380	20.5
1944	24,085	8,129	2,398	2,055	36,667	6,775	29,892	20.4
1945	26,159	9,503	2,753	2,234	40,649	7,485	33,164	22.1
1946	32,663	10,895	1,349	2,461	47,368	8,360	39,008	24.4
1947	37,901	10,861	1,023	2,560	52,345	8,620	43,725	25.7
1948	39,588	11,029	1,021	2,539	54,177	7,900	46,277	24.5
1949	38,577	10,848	1,000	2,059	52,484	7,695	44,789	23.8
1950	39,796	11,092	1,076	1,905	53,869	7,890	45,979	22.2
1951	44,091	12,467	1,632	2,168	60,358	8,235	52,123	23.0
1952	46,487	13,093	1,769	2,098	63,447	8,745	54,702	23.0
1953	47,478	13,350	1,650	1,887	64,365	8,910	55,455	22.0
1954	48,883	13,363	1,478	1,678	65,402	8,870	56,532	22.0
1955	50,485	13,848	1,292	1,563	67,188	9,115	58,073	21.1
1956	52,700	14,528	1,198	1,481	69,907	9,470	60,437	20.6
1957	55,775	15,171	1,218	1,391	73,555	9,665	63,890	20.7
1958	58,406	15,321	1,244	1,410	76,381	9,750	66,631	20.9
1959	60,249	15,894	1,210	1,244	78,597	10,160	68,437	20.3
1960	61,951	16,182	1,236	1,174	80,543	10,430	70,113	20.0
1961	64,109	16,365	1,299	1,105	82,878	10,805	72,073	19.8
1962	66,302	17,020	1,347	1,007	85,676	11,295	74,381	19.3
1963	68,385	17,494	1,342	952	88,173	11,720	76,453	18.9
1964	71,397	18,688	1,357	878	92,320	12,410	79,910	18.3
1965 3/	75,378	20,628	1,392	810	98,208	13,268	84,940	18.2

1/ Comprises purchases of meals and beverages from retail, service and amusement establishments, hotels, dining and buffet cars, schools, school fraternities, institutions, clubs, and industrial lunchrooms, including taxes and tips.

2/ Food served to the military and employees of hospitals, State prisons, hotels and other commercial food service establishments, and firms engaged in water transportation.

3/ Preliminary.

Department of Commerce, Survey of Current Business, November 1965, and as yet unpublished series for alcoholic beverages.

Table 4.--Food and farm product prices, 1964-65

Item	1964	1965					Percent change 1964-65
		I	II	III	IV	Year	
Retail food prices (Index, 1957-59=100)							
Food at home	104.7	104.9	106.8	108.8	108.2	107.2	2.4
Food away from home	115.2	116.3	117.0	118.2	119.6	117.8	2.3
All food	106.4	106.7	108.4	110.2	110.0	108.8	2.3
Wholesale Price Index (Index, 1957-59=100)							
Farm products	94.3	94.3	98.8	99.5	100.9	98.4	4.3
Processed foods	101.0	102.0	103.9	106.7	107.9	105.1	4.1
Prices Received by Farmers (Index 1910-14=100)							
Crops	238.0	235.0	245.0	228.0	220.0	232.0	-2.5
Livestock and products	235.0	239.0	255.0	271.0	279.0	261.0	11.1
Total	236.0	238.0	250.0	251.0	252.0	248.0	5.1
Market Basket of U. S. Farm Foods (Index, 1957-59=100)							
Retail cost	103.3	103.2	105.7	108.0	107.2	106.1	2.7
Farm-retail spread	107.7	106.2	105.7	108.1	105.9	106.6	-1.0
Farm value	96.4	98.7	105.7	108.0	109.3	105.4	9.4

RETAIL FOOD PRICES

1965 Prices

Retail food prices in 1965 increased an average of 2.3 percent over 1964 (table 4). The increase was about double both the 1.2-percent increase recorded a year earlier and the average for 1959-64. It was the largest annual increase since the 4-percent increase from 1957 to 1958.

The sharpest increase in retail food prices last year took place during the spring months (cover chart and table 15, p. 45). Reduced meat supplies, a small carryover of potatoes from the previous fall, and temporarily short supplies of certain fresh vegetables combined to accentuate the usual early summer peak in average retail food prices. Prices in early months of the year

had remained stable. After July, prices declined slightly, but a turnup in December brought retail food prices near the high point reached in July. Higher pork prices accounted for part of the December rise. Increased prices for fresh vegetables, eggs, and cereal and bakery products also contributed to the December increase.

In 1965, the increase in retail food prices was as large for food purchased in grocery stores as for that purchased in restaurants. Prices for food consumed away from home increased an average of 2.3 percent between 1964 and 1965, the same as the 1959-64 average. The pattern of the price increase for food away from home in 1965 differed from that for grocery store food in that each month's price averaged higher than the month before.

The 1965 increase in retail food prices reflected primarily the increases in prices for wholesale foods and prices received by farmers (fig. 1). Prices received by farmers (for all farm products) increased 5 percent and wholesale prices of processed food products increased 4 percent (table 4). In December, retail food prices were 3.5 percent above December 1964 compared with an 8.5-percent increase in wholesale prices of processed foods and an 11-percent increase in prices received by farmers.

Retail prices of a market basket of foods originating on U. S. farms increased 2.7 percent between 1964 and 1965, somewhat more than the 2.3-percent increase in retail prices for all food. The increase at retail reflected the 9-percent rise in farm value of equivalent raw products; the farm-retail marketing spread declined 1 percent, the first decline since 1950. The marketing spread has generally trended upward over the years; in 1965 it averaged 7 percent above the 1957-59 average compared with a 5-percent increase for farm prices despite the changes that occurred last year.

Outlook for Food Prices

Average retail food prices in 1966 are expected to show an advance comparable to that which took place in 1965. Further advance from the December 1965 level is likely in first quarter 1966 as a result of increases in wholesale prices during fourth quarter 1965: Wholesale prices of processed foods increased 2 percent between November and December and prices received by farmers increased 4 percent. The 1-percent increase for retail food prices from November to December probably did not fully reflect these increases at wholesale.

Changes in retail food prices beyond first quarter 1966 are dependent largely upon future wholesale price changes. Retail prices are expected to reach a seasonal high this summer. Prospective declines in wholesale food prices later in the year are expected to halt the rise and possibly reduce the level of retail food prices later in 1966.

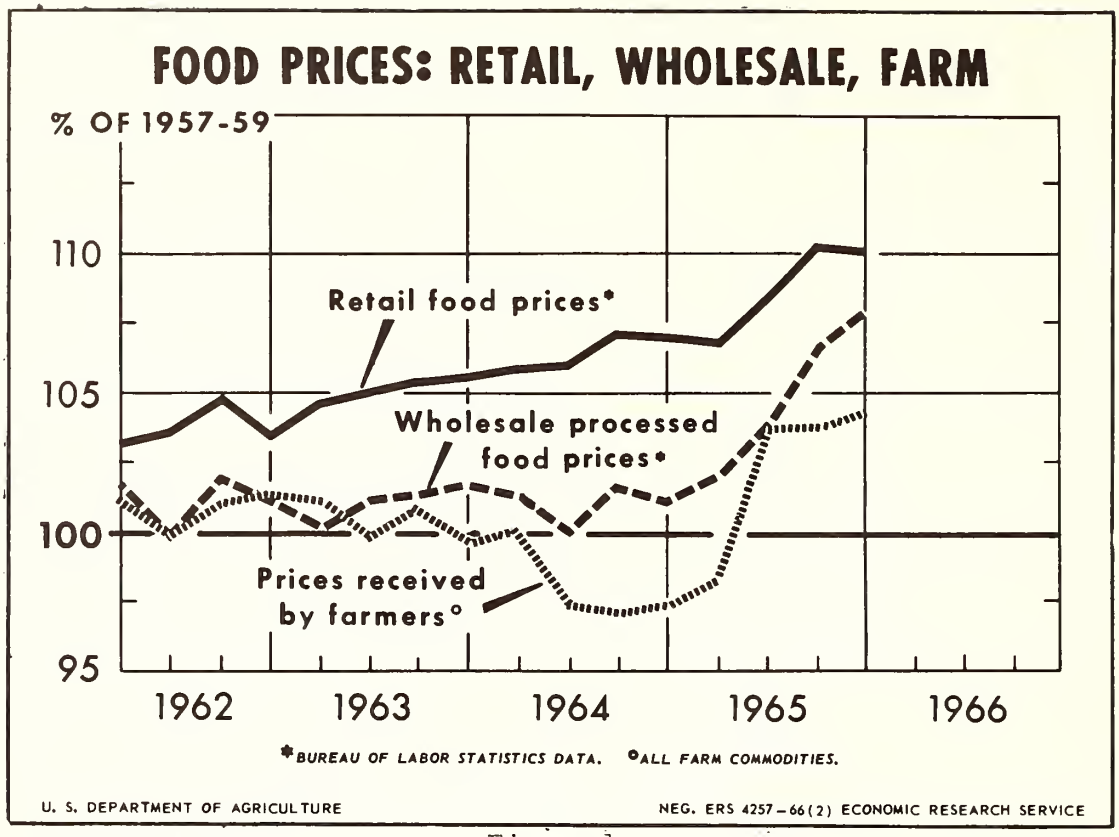

Figure 1

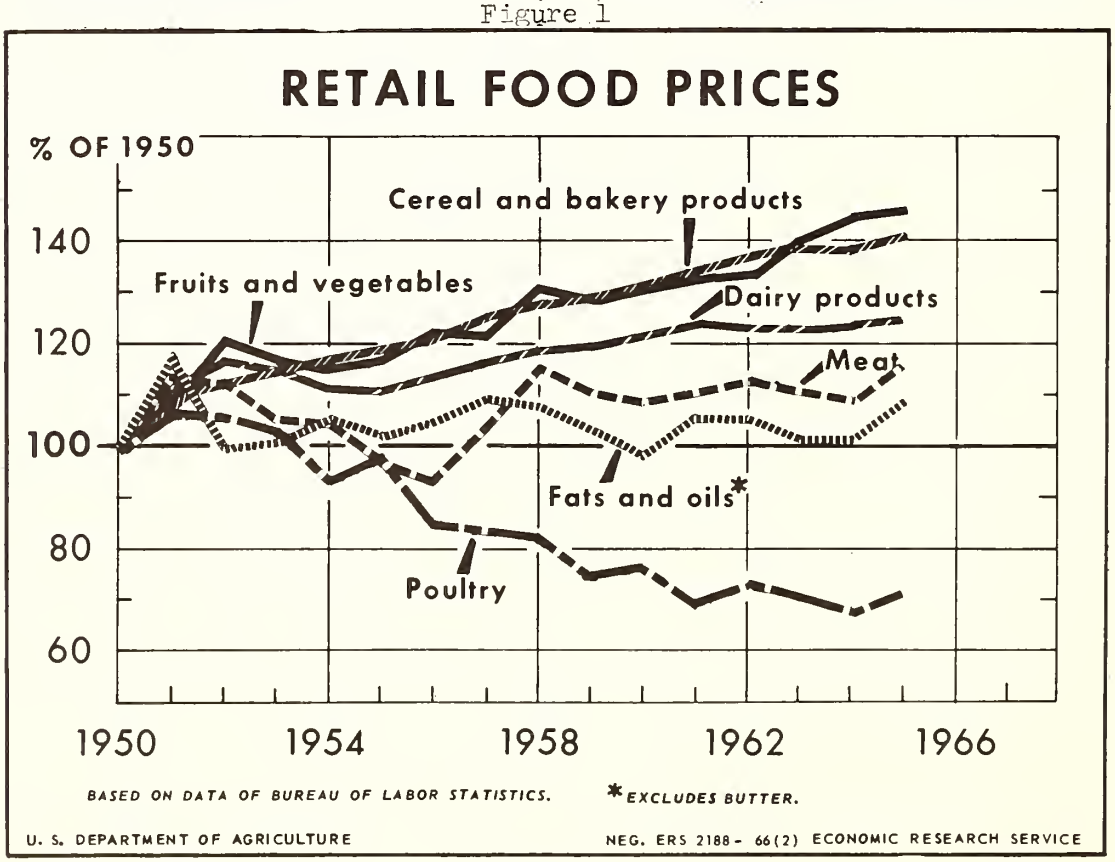

Figure 2

Retail Prices for
Animal Products Up

Retail price increases for meat led the advance in food prices in 1965 (figure 2). Pork prices were up 14 percent over 1964 as a result of the 6½-pound cut in per capita supplies. Pork prices in fourth quarter 1965 averaged 23 percent over a year earlier. For several years, pork prices had remained relatively low. In fact, during first quarter 1965, pork prices averaged 3 percent below the 1957-59 average. But, by fourth quarter 1965, pork prices averaged 20 percent above 1957-59 and reached record high levels. Bacon prices advanced more rapidly last year than the average of all pork, up 36 percent from a year earlier in the fourth quarter; but canned ham price increases were more moderate, up 14 percent, due partly to a stepup in ham imports.

Retail beef prices, responding to the generally tight meat supply and strong demand, increased an average of 5 percent in 1965 even though per capita beef supplies were down only slightly. Fourth quarter prices were 9 percent above 1957-59 but were about equal to prices in fourth quarter 1962 and remained below the annual averages for 1951 and 1952.

Retail meat prices are expected to remain at relatively high levels this year. Continued low per capita meat supplies and unusually low storage stocks of pork may send retail prices of this product to new peaks this summer. But, more than a seasonal decline is expected during final months of the year when hog slaughter likely will begin to reflect larger December 1965-May 1966 farrowings.

Despite substantially increased broiler supplies, retail prices averaged 3 percent higher in 1965. Broiler prices in fourth quarter 1965 remained 11 percent below 1957-59 because of the general downtrend in poultry prices that has prevailed. In coming months, broiler prices are expected to be well maintained despite a further buildup in supplies, because of prospects for reduced red meat supplies.

Prices for fishery products joined meat in the general advance during 1965. Fishery product prices increased an average of 3 percent last year. Canned fish prices averaged the same but prices for canned sardines and frozen shrimp advanced about 5 percent over 1964. More moderate price gains are anticipated this year.

Retail prices for eggs averaged 2 percent below a year earlier during 1965, primarily because of abnormally low prices during the first quarter. Egg prices in the final quarter were 7 percent above a year earlier. In early months of this year, prices likely will remain well above the year-earlier low prices.

Prices for milk and other dairy products averaged almost steady with a year earlier during 1965. However, butter and cheese prices advanced more strongly than usual during the fall since production and stocks declined to relatively low levels. Evaporated milk prices rose but ice cream prices averaged lower. Prices are expected to rise this year as a result of reduced per capita supplies and increased distribution costs.

Retail Prices for Crop Products Steady

Retail prices for foods from crops in 1965 increased less than 1 percent on the average, compared with a 4-percent increase for livestock products. Sizable increases occurred for potatoes and vegetable oil products. Cereal and bakery products continued their gradual uptrend. But, prices for citrus fruits, processed fruits and vegetables, sugar and sweets, and non-alcoholic beverages declined slightly.

Fresh vegetable prices (other than potatoes) varied considerably last year: First quarter prices were well below a year earlier, but second quarter prices were much above a year earlier. Potato prices increased to record-high levels during the summer, but dropped sharply to 13 percent below a year earlier during the final quarter when large new-crop supplies became available. Fresh fruit prices in 1965 averaged below a year earlier, largely because of increased supplies and lower prices for citrus products. Also, prices for processed fruits and vegetables in 1965 averaged 3 percent below a year earlier.

In coming months, potato prices will continue well below year-earlier high levels. Fresh vegetable prices likely will continue above year-earlier levels this winter because of bad weather the end of January in Southern producing areas. Citrus fruit prices are expected to remain below a year earlier, as a result of another increase in production this winter, despite minor weather damage at the end of January. Since the canned fruit pack was reduced significantly last fall and canned vegetable supplies also are down, prices for many of these items are expected to continue strong. Prices for frozen vegetables should remain fairly steady in view of large supplies of most items; lower prices for green peas are an exception. Reduced production of dry edible beans last fall is resulting in increased bean prices.

Coffee prices in fourth quarter 1965 averaged below a year earlier. Regular coffee prices were down 3 percent, and instant coffee prices were down 14 percent.

Retail prices for sugar remained quite stable during 1965, following price gyrations during both 1963 and 1964. Prices last year averaged 8 percent below a year earlier. This year, prices are expected to continue relatively stable, at around 8 percent above the 1957-59 average.

White bread prices last year averaged about 1 percent higher than a year earlier, but whole wheat bread prices were up $2\frac{1}{2}$ percent. Prices for cornflakes increased 1 percent last year, reaching an average of 19 percent above the 1957-59 average. However, price declines were recorded in 1965 for cookies and cake. On the average, cereal and bakery products increased $1\frac{1}{2}$ percent. Prices this year probably will continue their uptrend.

Retail prices for prepared and partially prepared foods did not increase as much last year as did the average for all foods--the increase averaged 1 percent for the group of processed items priced by the Bureau of Labor

Statistics. Prices for instant mashed potatoes increased 9 percent, and frozen french fried potatoes increased 3 percent. Both increases are much smaller than the 24-percent increase for fresh potatoes. Baby food prices averaged 1½ percent lower and little change was recorded for several other canned items

SUPPLY AND CONSUMPTION OF FOOD

Consumption Down in 1965

Civilian per capita food consumption last year declined about 1 percent from 1964 (table 2). 1/ The decline was somewhat greater than expected last fall because of a further cut in livestock supplies and sharp increase in military food procurement late in the year. Animal product consumption was down about 2 percent per capita for the year, whereas use of crop products was up slightly (fig. 3). This year, per capita food consumption is expected to remain about stable with the 1965 level. Another reduction in consumption of livestock products is expected to be offset by an increase for foods from crops.

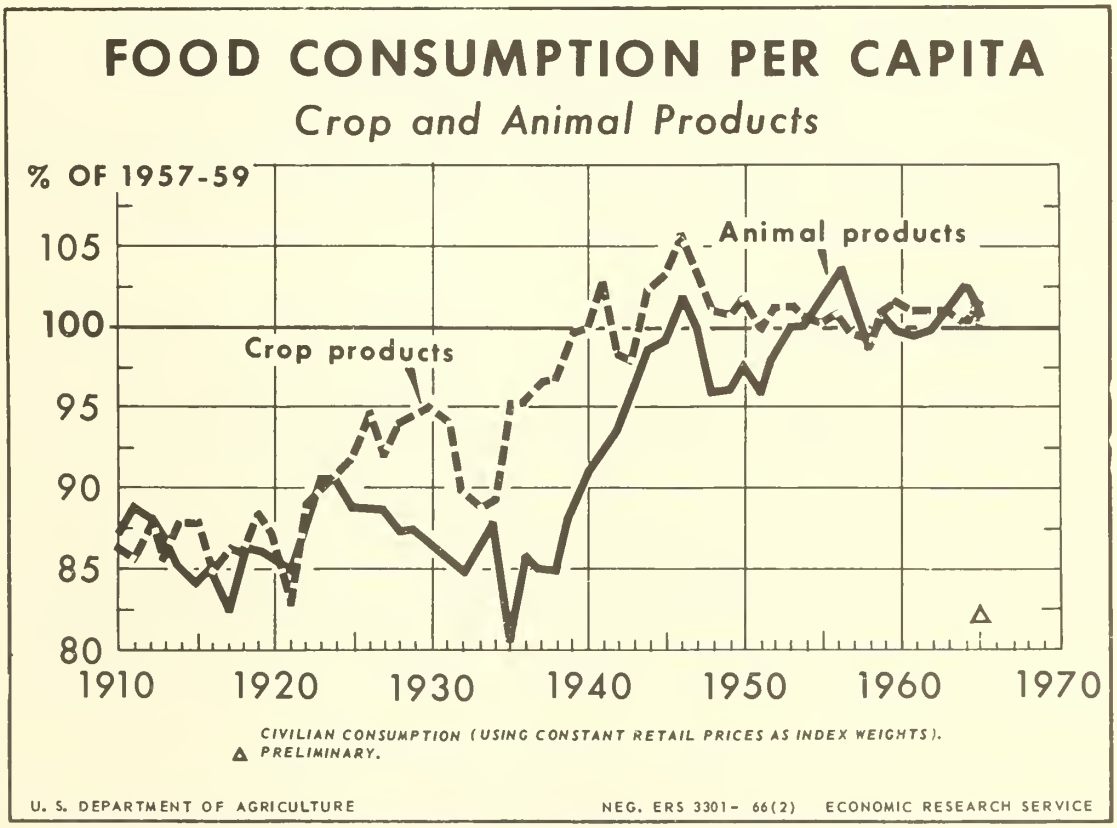

Figure 3

1/ Value of foods using constant prices (retail prices in 1957-59).

Though per capita food consumption was down last year, total food consumption was up slightly. Marketings of food products were up about 1 percent; marketings of food crops were up about 4 percent, but livestock products were about steady (table 1). Farm production was up even more than total marketings since marketings for the year reflected reduced crop production in 1964. Farm output climbed about 3½ percent to a record high in 1965, primarily as a result of a 6-percent increase in crop production. The production increase came mostly from a 6-percent gain in yields per acre, with little change in cropland used for crops. Livestock production declined 1 percent (table 14, page 44).

The quantity of imports of agricultural products increased last year though lower average prices kept the total value of imports about unchanged. 2/ However, the quantity of exports of agricultural commodities declined during calendar year 1965 after rising sharply during the previous year, partly due to dock work stoppage in early 1965. The average price of U. S. export products increased, so the total value of exports did not decline as much as the quantity. Increased value of exports of feed grains, rice, and soybeans failed to offset declines for wheat and cotton.

Military food procurement increased last year, particularly during the final quarter. The value of foods purchased jumped a third for the year to a total of over $1 billion. Procurement accelerated in the fourth quarter because of the need to increase pipeline stocks. Military food use in 1965 totaled over 2 percent of total U. S. food used in 1965, up slightly from 1964. A further increase in military food use is likely this year, but the rate of increase is not likely to match the gain in fourth quarter 1965.

Animal Product Consumption Declining

Red meat consumption declined about 8 pounds per capita last year to a total of 167 pounds (carcass weight) (table 5). Almost 7 pounds of the decline was in pork. Consumption of pork averaged only 59 pounds per capita in 1965, the lowest level since the 1930's. This sharp cut in consumption resulted from a supply reduction that followed low prices for producers the previous 2 years. Though farmers are responding to relatively high prices since last summer by again increasing production, the time lag in getting pork to market is expected to keep supplies low until this fall. In fact, the buildup of breeding stock further augments the current shortage of slaughter supplies. As a result, pork consumption this year is expected to average slightly below 1965.

Beef consumption averaged 99 pounds (carcass weight) per capita last year, down 1 pound from the record high in 1964. It was the first decline in 6 years. The postwar upsurge in beef production and consumption increased per capita use from only 56 pounds per capita in 1951. In 1966, beef consumption again is expected to remain about steady or decline slightly from 1965.

2/ Hirsh, H. G., "Review of 1965 Price Developments in the Foreign Agricultural Trade of the United States," Foreign Agricultural Trade of the United States, Jan.-Feb. 1966, pp. 5-12.

Table 5.--Civilian per capita consumption of major food commodities, primary distribution weight, and civilian population, selected periods 1947-65 1/

Commodity	Average 1947-49	Average 1957-59	1962	1963	1964	1965 Preliminary	1965 as a percentage of 1947-49	1965 as a percentage of 1957-59	1965 as a percentage of 1964
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent	Percent	Percent
Meats (carcass weight) - Total	148.5	156.6	163.1	169.5	174.5	166.6	112	106	95
Beef	65.6	82.1	88.8	94.3	99.7	99.0	151	121	99
Veal	9.7	7.1	5.5	4.9	5.2	5.2	54	73	100
Lamb and mutton	4.8	4.4	5.2	4.9	4.2	3.7	77	84	88
Pork (excluding lard)	68.4	63.0	63.6	65.4	65.4	58.7	86	93	90
Fish (edible weight) - Total	10.7	10.5	10.6	10.6	10.6	10.6	99	101	100
Fresh and frozen	5.9	5.7	5.8	5.7	5.9	2/	---	---	---
Canned 3/	4.2	4.2	4.3	4.4	4.2	2/	---	---	---
Cured	.6	.6	.5	.5	.5	2/	---	---	---
Poultry products									
Eggs (farm basis) - Number	385	356	324	316	314	309	80	87	98
Chicken (ready-to-cook)	18.7	27.5	30.0	30.8	31.2	33.4	179	121	107
Turkey (ready-to-cook)	3.3	6.0	7.0	6.7	7.2	7.4	224	123	103
Dairy products									
Total milk fat solids	29.5	25.6	23.8	23.3	23.2	23.0	78	90	99
Total nonfat milk solids	42.9	43.8	42.4	41.6	41.6	41.2	96	94	99
Cheese	7.0	7.9	9.2	9.2	9.5	9.4	134	119	99
Condensed and evaporated milk	20.1	14.8	12.5	11.6	11.3	10.8	54	73	96
Fluid milk and cream	359	335	308	307	305	304	85	91	100
Ice cream (product weight)	18.7	18.4	17.9	18.0	18.2	18.3	98	99	101
Fats and oils - Total, fat content 4/	42.4	45.3	45.7	46.3	47.5	47.0	111	104	99
Butter (actual weight)	10.6	8.2	7.3	6.9	6.8	6.5	61	79	96
Margarine (actual weight)	5.6	8.9	9.3	9.6	9.7	9.8	175	110	101
Lard	12.4	9.3	7.2	6.4	6.3	6.1	49	66	97
Shortening	9.6	11.4	13.4	13.5	13.7	14.0	146	123	102
Other edible fats and oils	7.3	10.8	11.7	13.1	14.1	13.7	188	127	97
Fruits									
Fresh (farm weight) - Total	132.8	95.7	84.9	76.1	81.8	84.1	63	88	103
Citrus	54.8	33.5	28.9	22.1	26.1	29.3	53	87	112
Apples (commercial)	25.5	21.6	19.4	18.4	20.1	19.6	77	91	98
Other (excluding melons)	52.5	40.6	36.6	35.6	35.6	35.2	67	87	99
Processed:									
Canned fruit	18.9	22.5	22.9	23.1	23.3	23.3	123	104	100
Canned juice	15.9	13.8	13.0	14.4	11.4	13.0	82	94	114
Frozen (including juices)	3.2	8.6	9.7	8.0	7.4	8.8	275	102	119
Dried	3.9	3.3	3.0	3.0	3.0	3.1	79	94	103
Vegetables									
Fresh 5/	120.5	104.3	102.8	102.9	100.2	100.6	83	96	100
Canned, excluding potatoes and sweetpotatoes	38.5	43.0	44.4	45.0	44.5	44.8	116	104	101
Frozen, excluding potatoes	2.8	6.6	7.7	7.4	8.0	7.7	275	117	96
Potatoes and sweetpotatoes									
Potatoes, fresh equivalent 6/	113.8	106.8	108.1	112.1	110.3	103.8	91	97	94
Frozen potatoes, product weight	7/	1.6	3.9	4.5	5.8	6.1	---	381	105
Sweetpotatoes, fresh equivalent 6/	13.0	8.3	7.7	7.4	6.8	7.3	56	88	107
Dry edible beans	6.7	7.7	7.8	7.7	7.6	6.5	97	84	86
Melons	27.4	25.1	23.2	24.7	23.2	24.0	88	96	103
Sugar (refined)	95.2	96.1	97.2	96.1	95.8	96.0	101	100	100
Grains									
Corn products: Cornmeal and other 8/	19.0	14.3	13.6	13.5	13.4	13.3	70	93	99
Corn sirup and sugar	14.1	13.0	15.4	16.8	18.1	18.3	130	141	101
Oat food products	3.3	3.5	3.5	3.5	3.5	3.5	106	100	100
Barley food products 9/	1.6	1.0	1.0	1.0	1.0	1.0	62	100	100
Wheat: Flour 10/	137	120	115	116	116	116	85	97	100
Breakfast cereals	3.2	2.8	2.6	2.6	2.6	2.6	81	93	100
Rye flour	1.4	1.2	1.1	1.1	1.1	1.1	79	92	100
Rice, milled	4.9	5.4	7.4	6.6	7.0	7.6	155	141	109
Other									
Coffee (green beans)	18.2	15.7	15.9	15.7	15.4	14.7	81	94	95
Tea	.58	.60	.66	.67	.69	.69	119	115	100
Cocoa beans	4.0	3.5	3.8	3.9	3.9	4.0	100	114	103
Peanuts (shelled)	4.4	4.6	4.9	5.0	5.1	5.2	118	113	102
	Million	Million	Million	Million	Million	Million			
Civilian population 11/	145.1	171.5	183.8	186.7	189.4	191.9	132	112	101

1/ Quantity in pounds except for eggs which are stated in number. Data on calendar year basis except for dried fruits, which are on pack year basis; fresh citrus fruits and peanuts on a crop year basis, and rice on August 1 year. All years begin in the year indicated except for fresh citrus, which begins in October of the previous year, and rice, which begins in August of previous year. 2/ Not available. 3/ Excludes canned food products containing small quantities of fish, such as clam chowder. 4/ Computed from unrounded data. 5/ Covers total commercial production for sale as fresh, both for shipment to distant markets and for local markets. Excludes farm garden output for farm household use. 6/ Includes quantities canned and frozen. 7/ Less than 0.05 pound. 8/ Includes cornstarch, breakfast cereals, and hominy. 9/ Barley used for food products in terms of malt equivalent. 10/ Includes white, whole wheat, and semolina flour. 11/ Census estimates of July 1 civilian population (50 States beginning 1962). Used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

Lamb and mutton consumption dropped another half pound last year to below 4 pounds per capita. The percentage decline in consumption was as great as the decline for pork. Lamb consumption per capita remained only slightly above the 1951 level, the lowest point in over a half century of record. Another decline in consumption may occur during the first half of this year.

Per capita consumption of poultry meat totaled 41 pounds last year, equal to more than two-thirds of per capita use of pork. Chicken consumption increased more than 2 pounds per capita last year, up 7 percent. Because of the generally tight red meat situation and strong demand, prices averaged above 1964 despite much larger supplies. Most of the increase in poultry supplies occurred during the latter half of 1965. They are continuing to run more than a tenth above year-earlier levels, and further increases are in prospect in coming months. Increased hatching flocks point to a greatly expanded production potential in 1966.

Per capita egg consumption declined 2 percent to an average of 309 eggs in 1965. The decline was due to lower production, greater use of eggs for hatching, increased military procurement, and larger exports. This year, egg consumption again may decline slightly, particularly during the first half year.

Per capita consumption of milk and dairy products declined about 1 percent last year. Donations of butter and cheese from CCC supplies decreased almost a third, because of reduced inventories. Prices for dairy products strengthened during the fall to the point where they exceeded support levels. This year, per capita consumption of milk and dairy products again is expected to decline slightly. Donations of dairy products also may decline because reduced production is expected to result in a better balance of commercial supply and demand, leaving smaller quantities for CCC price-support purchase.

Foods From Crops Increasing

Per capita consumption of foods from crops last year increased about a half percent. A further increase of perhaps 1 percent is likely this year. Most of the gain is expected in increased consumption of potatoes and citrus fruit.

Per capita consumption of fats and oils declined slightly last year, with small declines for both animal fats and vegetable oils. Decreased use of butter caused the decline for animal fats; reduced consumption of cooking and salad oils about offset increased use of margarine and shortening among the vegetable oils. In 1966, use of margarine, shortening, and cooking and salad oil probably will increase, but butter and lard likely will decrease. Total use of edible fats and oils is expected to remain around 47 pounds per capita (fat content basis).

Per capita consumption of fresh citrus products increased about 12 percent in 1965 as a result of a large increase in production and reduced prices. Consumption of canned and frozen concentrated juices increased even more than the fresh products. The rise in citrus consumption more than offset some

small declines in consumption of apples and other deciduous fruits last year. In total, fresh fruit consumption increased 1 percent and processed fruit consumption increased 10 percent for an overall gain of 6 percent per capita for all fruit.

The current, 1965-66 crop of citrus is larger than a year earlier. The late January freezes in Florida and Texas were not expected to result in any material decline in orange and grapefruit production. But, remaining supplies of temple oranges, Murcott oranges, and tangelos were reduced sharply. As a result, per capita citrus consumption this year is expected to continue upward. Stocks of fresh and canned deciduous fruits at the beginning of the year were well below a year earlier. Prices are running above a year earlier and may rise further until new crops appear in volume this summer and fall.

Per capita consumption of vegetables held about stable in 1965. Fresh vegetable supplies, seasonally low in early winter, likely will be smaller this winter than last, because of recent weather damage. Marketings of cabbage, lettuce, carrots, tomatoes, snap beans, sweet corn, cucumbers, and peppers are expected to be down from last year. Carryover of canned vegetables at yearend was less than a year earlier, particularly for corn, tomatoes, and lima beans but greater for frozen vegetables such as peas, carrots, and mixed vegetables.

January 1, 1966, stocks of potatoes were 30 percent larger than a year earlier, mostly because of the fourth larger fall crop in 1965 than a year earlier. Winter crops also are larger so supplies will remain plentiful well into the summer. Fresh use of potatoes last year was reduced 7 pounds per capita as a result of the smaller fall crop in 1964 and the resultant high prices through last summer. Use of processed potatoes continued upward last year despite the reduction in fresh use. Consumption of potatoes this year is expected to approach the level of 2 years earlier, with a further gain for processed potatoes. Supplies of sweetpotatoes also are much larger than a year earlier. Consumption is expected to continue large through the remainder of the crop year ending in midsummer.

Dry bean supplies will be tight as a result of last summer's reduced crop until new-crop harvest gets underway in late summer. Prices will be higher and use will be off substantially in the first half of 1966. Consumption of dry field peas this crop year is expected to be larger than last year. Normal domestic sales will be supplemented by USDA distribution through school lunch and welfare programs.

Consumption of wheat flour, including that used in all cereal and bakery products, last year averaged 116 pounds per capita, the same as the 2 years previous. Little change is expected this year. The civilian food use of wheat totaled 512 million bushels in calendar 1965, less than half the 1965 total production. Since 1960, wheat exports have exceeded domestic use.

Rice consumption increased last year to 7.6 pounds per capita, up from 7.0 in 1964. Little change occurred in use of any other grain or cereal product, except for some increase in use of corn for dextrose and corn sirup.

Total use of corn for direct food use increased 3 percent in 1965, principally due to the increase in use for sugar and sirup. Direct food use of corn accounted for 4 percent of corn production last year.

Sugar use per capita held stable last year at 96 pounds, and little change is likely this year. The use of coffee declined rather sharply, down 5 percent to 14.7 pounds per capita (green bean equivalent). Consumption was down more than 1 pound from 1963, and reached the lowest point since World War II.

FISHERY PRODUCTS 1/

No appreciable changes are foreseen in the supplies of edible fishery products for 1966. Total domestic landings probably will vary little from 1965 but imports likely will continue to rise. Import increases are expected for such major items as frozen shrimp, spiny lobster tails, ocean perch fillets, and the blocks and slabs of fillets from which sticks and portions are manufactured.

During the first quarter of 1966, supplies of a few popular frozen products will be more plentiful than a year earlier. Cold storage holdings of crabs, spiny lobster tails, breaded shrimp, and scallops were up as the year began, along with fish sticks and portions. There were fewer fillets and steaks of flounder, haddock, and ocean perch, and less raw-headless shrimp in cold storage. Canned pink and chum salmon stocks were relatively low near the end of 1965 but stocks of canned red salmon were up substantially from a year ago.

Retail prices for fishery products will average higher in the first quarter of 1966 than a year earlier, reflecting generally stronger demand conditions for meat and fish. Price increases are expected in both the fresh and frozen, and canned fish categories.

The quantity of edible fish available in 1965 set a record high of slightly over 5 billion pounds, up about 3 percent from 1964. On a round weight basis (as caught), imports contributed a record high 51 percent of the total. Substantially larger quantities of blocks of fish fillets and albacore tuna were imported in 1965 than a year earlier. Inshipments of both headless and peeled shrimp were up as were ocean perch fillets, flounder fillets, and sardines canned in oil.

Per capita consumption of fishery products during 1965 averaged 10.6 pounds (edible weight), the same as in 1964. Consumption of fresh and frozen fishery products was 5.9 pounds per person as in 1964 and canned fish, 4.2 pounds.

1/ Prepared by Fish and Wildlife Service, U. S. Department of the Interior.

COFFEE

Current Situation

Relatively stable monthly wholesale prices during 1965 reflected the stabilizing influence of the International Coffee Agreement (table 6). This stability followed a rapid increase in the wholesale price of Santos No. 4 coffee between September 1963 and March 1964. This increase was due to anticipation of the very short 1964-65 Brazilian crop caused by frost and drought in 1963 and a slow decline in prices between March and December 1964 as demand weakened. Prices of Santos No. 4 ranged between 46.3 cents and 43.8 cents per pound during 1965 (fig. 4).

Wholesale Robusta bean prices (Ambriz) did not exhibit the stability shown by Santos No. 4 during 1965. In January 1965, Robusta prices dropped to 28.5 cents per pound, lowest since September 1963. This decline was due to a large supply of Robusta coffee beans. The International African Coffee Organization (IACO), formed to promote the sales of African coffee, tried with little success to limit exports during the 1964-65 season in an attempt to limit available supply and strengthen price. Lack of cooperation with IACO's limitation program was widespread and Robusta prices dropped further to 23 cents per pound by May 1965. From May to June 1965, Robusta coffee prices increased from 23.0 to 29.5 cents per pound as producing countries began to adhere to a cut in export quotas of all coffees in line with the International Coffee Agreement.

The annual average wholesale price of Robusta coffee dropped from 37.2 cents per pound in 1964 to 33.0 cents per pound in 1965, a decline of 11 percent (table 7). However, Robusta bean prices had risen to 37.3 cents per pound by December 1965.

Total coffee consumption in the United States in 1965 dropped by about 100 million pounds from a year earlier. On a per capita basis, consumption declined from 15.4 pounds to an estimated 14.7 pounds (green bean equivalent), a decline of 4½ percent. The decline occurred despite larger supplies and somewhat lower average retail prices. Estimated U. S. imports of green beans in 1965 were 7 percent lower than for 1964 as importers reduced inventories. One reason for the decline in per capita consumption was the growing number of persons in the younger age groups. The younger age groups consume much less coffee per capita and, according to trade sources, the rate of coffee consumption is declining.

Military coffee consumption continued to increase in 1965 as it had in 1964. Military consumption in 1965 was estimated at 68 million pounds, around a fifth above 1964.

The 1965-66 world coffee crop is currently estimated at 78 million bags, of which 63 million would be exportable production. The 1965-66 crop thus is expected to approach the size of the record crop of 79 million bags in 1959-60, and may surpass it. Since world consumption is not expected to rise much, world coffee stocks likely will increase some 13 to 14 million bags in 1965-66, about a fifth higher than that for 1964-65. Most of this stock increase will be in the producing countries.

Table 6.--Retail and wholesale coffee price per pound, by months, 1962-65

Month	Retail price of canned coffee				Wholesale price of Santos #4 coffee beans, N. Y.			
	1962	1963	1964	1965	1962	1963	1964	1965
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
January	71.2	69.2	71.1	84.6	34.5	34.0	48.0	45.0
February	71.0	69.1	74.1	84.3	34.5	33.8	46.5	46.3
March	71.0	68.7	78.3	83.9	34.5	33.5	50.5	45.3
April	71.1	68.7	80.9	83.8	34.5	33.5	50.0	45.8
May	71.0	69.0	82.4	83.3	35.0	33.3	49.0	45.3
June	70.9	69.5	83.9	83.2	34.8	34.5	48.8	46.0
July	71.2	69.6	84.4	83.4	34.8	33.8	47.5	45.5
August	71.3	69.8	84.9	83.5	34.8	33.5	47.3	45.5
September	71.4	69.6	84.9	82.9	34.0	33.5	45.5	44.5
October	71.1	69.7	84.6	82.7	34.0	35.3	48.3	43.8
November	69.5	69.8	84.9	82.1	33.8	38.0	47.5	43.8
December	69.2	70.1	84.8	82.1	34.0	38.0	45.8	44.0
Average	70.8	69.4	81.6	83.3	34.4	34.6	47.9	45.1

Bureau of Labor Statistics.

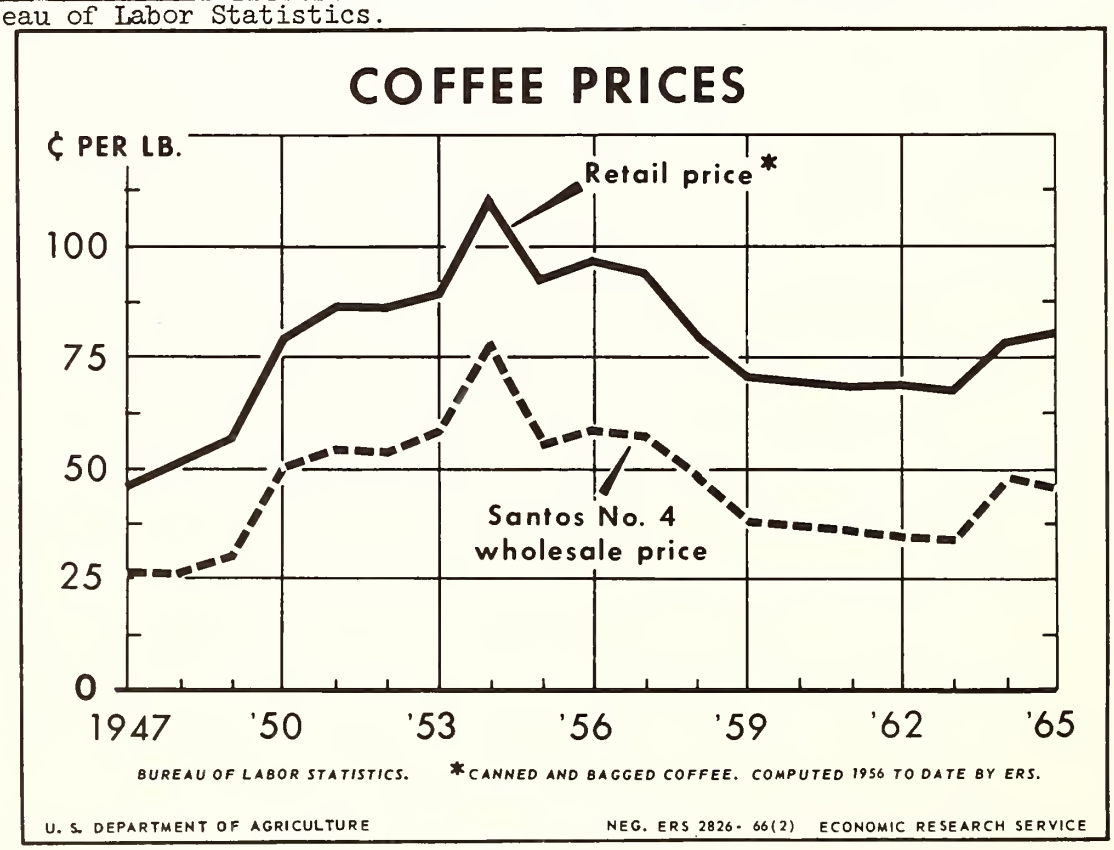

Figure 4

Table 7.--Coffee: Prices, per capita consumption, and world supplies, 1947-65

Year	U. S. retail price		U. S. wholesale price per pound		U. S. per capita consumption (green bean equivalent)		World production of coffee beans
	Canned and bagged (per pound) 1/	Instant coffee (per 6 ounces)	Santos #4 beans	Robusta beans	Instant coffee 2/	Total	
	Cents	Cents	Cents	Cents	Pounds	Pounds	Mil. bags 3/
1947	46.9	---	26.4	---	---	17.4	35.6
1948	51.4	---	26.8	---	---	18.4	34.6
1949	55.4	---	31.8	---	---	18.7	39.1
1950	79.4	---	50.9	---	---	16.1	37.6
1951	86.8	---	54.3	---	0.7	16.6	38.2
1952	86.8	---	54.1	---	.8	16.9	38.5
1953	89.2	---	58.5	---	1.1	16.9	41.5
1954	110.8	---	78.3	---	1.7	14.7	44.0
1955	93.0	---	57.0	---	1.9	15.3	42.2
1956	97.2	---	58.3	---	2.5	15.8	50.4
1957	94.8	---	57.3	---	2.6	15.7	45.3
1958	79.7	---	48.9	---	2.7	15.5	55.0
1959	71.2	---	37.6	---	2.8	15.9	61.6
1960	69.6	---	36.9	---	2.9	15.8	78.9
1961	68.1	93.0	36.3	20.2	2.8	15.8	65.6
1962	69.1	90.8	34.4	21.8	2.8	15.9	72.0
1963	67.8	92.2	34.5	28.8	2.7	15.7	67.4
1964	78.5	106.7	47.9	37.2	2.5	15.4	71.0
1965 4/	80.1	95.2	45.1	33.0	2.4	14.7	51.7

1/ Computed by ERS 1956 to date.

2/ Estimate based on U. S. processing of instant coffee.

3/ One bag weighs 132 pounds.

4/ Preliminary.

Prices from Bureau of Labor Statistics; world production and stocks from Foreign Agricultural Service, USDA.

International Coffee Agreement

In August 1965, the International Coffee Council requested importing-member countries of the International Coffee Agreement to implement import restrictions against non-members if the world market share of member countries drops to less than 95 percent. In addition, the Council fixed the 1965-66 annual quota at 43.7 million bags, the same as the final 1964-65 quota, but provided that if the indicator price (average over any period of 15 consecutive market days) averaged 42.50 cents or higher, the quota should be increased. But at the same time, the indicator price mechanism based on the 38-44 cent range, remained in effect. 1/

More recently, when the seventh session reconvened from November 30 to December 12, 1965, the Council was unable to reach agreement on revision of basic quotas. It was decided to hold a special meeting for that purpose sometime in the spring, and in the meantime, to grant relief to certain countries in the form of waivers. Some 22 producing countries, including 8 African franc-group nations, were granted "relief" in the form of quota waivers permitting them to increase their 1965-66 export quotas.

COCOA PRODUCTS

Current Situation

The New York spot price of cocoa beans (Accra) averaged 16.8 cents per pound for the first 11 months of 1965, down 28 percent from 1964. Cocoa prices in 1965 fell from 22.6 cents per pound in January to a low of 11.8 cents per pound in July, the lowest since World War II. After July, prices strengthened to 18.4 cents per pound in November. Low wholesale prices in 1965 were primarily the result of large supply relative to demand.

The 1964-65 world cocoa crop was 1.5 million metric tons, 22 percent larger than the previous record harvest in 1963-64. African countries produced 78 percent of the world total; Ghana produced nearly 40 percent, and Nigeria produced nearly 20 percent. The record production during the 1964-65 season was due mainly to exceptionally favorable growing conditions in West Africa, new plantings coming into bearing, and improved disease and pest control.

The 1965-66 world cocoa bean crop is forecast at 1.4 million metric tons, second largest of record. Production this season is expected to be about 6 percent below the 1964-65 harvest because of less favorable weather conditions in many of the West African-producing countries. But, the crop in 1965-66 would be 14 percent above the previous 5-year average. Crops in Latin American, Asian, and Oceanic regions are expected to be larger.

1/ If the indicator price goes above 42.50 cents for 15 consecutive market days, the quotas will be increased by a predetermined amount. If price gets out of the 38-44 cents range, the council can adjust quotas as much as 6 percent.

U. S. cocoa imports in 1965 were estimated at 927 million pounds, up 24 percent from a year earlier. Grindings in 1965 increased 7 percent over a year earlier, reaching a record high of 627 million pounds (preliminary estimate). Grindings are expected to reach 672 million pounds in 1966, according to a recent Department of Commerce estimate.

U. S. stocks on January 1, 1966, were up about 28 percent from a year earlier to 653 million pounds (preliminary estimate). Since 1962, stocks held by cocoa processors and manufacturers have been much larger than in prior years. Between 1961 and 1962, stocks more than doubled, reaching 422 million pounds. Recent high stock levels are due primarily to the tendency of manufacturers and processors to increase their inventories when prices fall.

Per capita consumption has been extremely stable since 1961, not varying more than a tenth of a pound per year. In 1965, U. S. per capita consumption of cocoa beans was 4.0 pounds, up from 3.9 pounds a year earlier. Per capita consumption is expected to remain at about the same level in 1966.

U. N. Developments

During summer 1965, when prices were very low, producing countries called an emergency session of the Working Party on Prices and Quotas of the United Nations Cocoa Conference in an attempt to form an international cocoa agreement. This meeting was convened to hear producers' proposals for temporary steps to deal with the "extreme seriousness of the world cocoa situation." Proposals included (1) setting a minimum prices during the current marketing season and (2) creation of an emergency fund to provide short-term loans to producer countries during periods when supplies had to be withheld from the market. Nothing resulted from this meeting because the producing and consuming countries did not reach an agreement on a "trigger price"--a price at which quotas would become mandatory to adjust prices to the desired level. However, another meeting of the Working Party was held in January 1966 to determine a basis for calling a negotiating conference in the spring of 1966.

SWEETENERS

The supply of sweeteners for domestic consumption is expected to be relatively large during 1966. There is substantial processing capacity in each of the 3 main segments of the sweetener industry and an adequate supply of sweetener raw materials is anticipated. Sweetener prices are expected to be relatively stable in 1966.

Sugar

The spot price for domestic raw sugar in New York averaged 6.75 cents per pound during 1965, down slightly from an average of 6.90 cents in 1964. The world price (stowed Caribbean) averaged 2.12 cents per pound during 1965, less than half the 5.87 cents average in 1964, due to a substantially larger world supply. Domestic wholesale and retail prices for refined sugar averaged 2 to 8 percent less in 1965 than in 1964, reflecting increased supplies.

Domestic sugar consumption for 1965 approximated 10 million tons (raw value). Per capita consumption averaged 96.0 pounds (refined basis) about the same as in 1964. Per capita consumption in 1966 is expected to hold around the level of recent years. Domestic production of beet sugar and mainland-grown cane sugar in calendar year 1965 is estimated 6 percent less than in 1964, due to acreage cutbacks and hurricane damage in Louisiana.

On November 8, 1965, the President signed Public Law 89-331 which extended the provisions of the Sugar Act of 1948 (as amended) to December 31, 1971. There were numerous changes in the Act but those sections concerning U. S. consumption requirements were virtually unchanged. These sections specify criteria to be used by the Secretary of Agriculture in making determinations of U. S. sugar consumption requirements.

Most of the amendments to the Act concerned changes in domestic and foreign sources of sugar for U. S. consumption. The domestic beet area quota was increased by 375,000 tons (raw value) to 3,025,000 tons, and the mainland cane area quota was increased by 205,000 tons to 1,100,000 tons. These quotas will continue in effect as long as U. S. consumption requirements remain between 9.7 million tons (raw value) and 10.4 million tons.

Most of the other new provisions concerned distribution of imports among foreign countries. A revised provision in the Act gave the Secretary of Agriculture authority to limit imports of sugar from all foreign countries during the first and second quarters if such action is needed to support domestic prices. This supersedes general authority possessed by the Secretary to impose monthly or quarterly limitations on marketings subject to quotas. For first quarter 1966, imports are limited to 700,000 tons (raw value) and for second quarter 1966, 1,000,000 tons.

U. S. sugar consumption requirements for 1966 have been set initially by the Secretary at 9.8 million tons (raw value). This figure can be changed at any time during the year. The Secretary of Agriculture stated in November 1965 that the announced requirement was about 300,000 tons below anticipated consumption, implying that U. S. sugar requirements for 1966 may be increased later this year.

Corn Sweeteners

Reported wholesale dextrose prices averaged 8.65 cents per pound (New York basis) during 1965, down from 8.95 cents per pound in 1964. Wholesale corn sirup prices averaged 7.60 cents per pound in 1965 (New York basis), up slightly from 7.52 cents per pound in 1964.

Reported deliveries of corn sirup for the first 3 quarters of 1965 were about 5 percent ahead of the same period in 1964, while dextrose deliveries were about stable. For corn sirup, the big increase came in the third quarter when deliveries increased about 11 percent over a year earlier. With dextrose,

first quarter deliveries were down 8 percent from a year earlier; second quarter deliveries were down slightly; but third quarter deliveries were up 10 percent. The increase in third quarter 1965 dextrose deliveries may reflect the entrance of a new producer in the summer of 1965 and more aggressive selling. Trade sources indicate this new producer added about 10 percent new capacity to existing capacity. Currently, there are 4 producers who sell dextrose commercially although 1 firm doesn't report its deliveries.

Noncaloric Sweeteners

Quoted saccharin prices have not changed since January 1965. However, domestic cyclamate prices presently are 64 cents per pound, down 8 cents per pound from last November and 21 cents from the first half of 1965.

There is little production data on noncaloric sweeteners for 1965, although output will probably exceed 1964 output of 12.2 million pounds by several million pounds. Two new firms began producing saccharin in 1964, while 3 firms in 1964 and 2 more in 1965 began producing cyclamate. 1/ There are presently 4 domestic saccharin and 8 cyclamate producers. Of the 9 U. S. firms that produce noncaloric sweeteners, 3 produce both products. Estimated current cyclamate production capacity is at least double present output and saccharin capacity is half again as large as current output. The rapid entry of new noncaloric sweetener producers and greatly increased output suggest there will be aggressive selling of noncaloric sweeteners as new and enlarged markets are sought.

New Product

Trade sources recently announced a new low-caloric sweetener, ammoniated glycyrrhizin (AG), a licorice derivative, said to be commercially available. By itself, AG is reported to be 50 times as sweet as sucrose, but when combined with sucrose, its relative sweetness in suitable products is doubled because of an additive effect. In comparison, cyclamate is about 30 times as sweet as sugar and saccharin is about 300 times as sweet as sugar.

The reported price of AG is $2.40 per pound. By comparison, cyclamate is currently quoted at 64 cents per pound and saccharin at $1.40 per pound. It is claimed that the inherent licorice flavor of AG blends naturally with chocolate, caramel, maple, and certain other distinctive flavors. It is not compatible, however, with light delicate flavors. Though AG granules are dark brown, it is used in such small quantities that it has little effect on the normal color of the product.

1/ U. S. Tariff Commission, Synthetic Organic Chemicals--United States Production and Sales, 1964, T.C. Publication 167, 1965. p. 142.

THE MAPLE SWEETENER SITUATION 1/

Maple sirup and maple sugar are made from the sap of certain species of maple trees. Virtually all of the world's supply of maple sweeteners is produced in 2 countries--the United States and Canada. The sugar in maple sap is nearly all sucrose, the same sugar extracted from sugar beets and sugar cane.

Maple sirup is made by boiling the sap (about 2 percent sucrose) in evaporators to a minimum of 65.5 percent sugar. When further concentrated and cooled to room temperature, it forms a solid cake of maple sugar. Eleven pounds (1 gallon) of maple sirup can be converted to 8 pounds of maple sugar relatively inexpensively.

There are basically 2 types of maple sirup: Table grade sirups, which are light colored and mild flavored, account for about three-fourths of total output and all that is consumed as pure maple sirup. 2/ Darker colored and strong flavored sirups are used mostly for blending with sugar sirups. The flavor of mild sirups is not sufficiently strong for blending. Conversely, the flavor of dark sirups generally is too intense to consume without blending.

Domestic Consumption

Total domestic consumption of maple sweeteners has remained relatively stable since 1948 (table 8 and fig. 5). Because total consumption held about steady while U. S. population was increasing, per capita consumption (sirup basis) declined about a fourth from 0.21 pounds in 1948 to about 0.15 pounds in 1965. However, per capita consumption in 1965 was down three-fourths from a half century ago.

Currently, an estimated two-thirds of maple sweeteners are blended with other sirups prior to consumption. The volume of cane and beet sugar sirups used in maple blends has increased to where its current use is about 3 to 5 times the annual consumption of all maple sweeteners (sirup basis). Imitation maple flavored sirups also are available.

Blended sugar and maple sirup account for about half the volume of all maple flavored sirup sales, with other maple flavored sirups accounting for most of the balance. Sales of pure maple sirup are only a small portion of the total but are relatively more important near maple sirup production areas.

Maple Sweetener Prices

Domestic retail prices of maple sirup have been sufficiently high to encourage consumers to substitute maple flavored sirups for pure maple sirup. But, maple sirup prices received by U. S. producers have not been sufficiently high to maintain production in view of increased costs and alternative opportunities, although prices have been high enough to encourage increased imports.

1/ By Frederick D. Gray, Food Consumption Section, ERS.
2/ Pure maple sirup refers to that not blended with any other products.

Table 8.--Maple sirup and maple sugar: Supply and apparent consumption, maple sirup basis, United States, specified periods, 1916-19 to 1965 1/

Period	Domestic production				U. S. imports 2/			Apparent consumption 3/		Imports as percent of consumption
	Trees tapped	Maple sugar	Maple sirup	Total	Maple sugar	Maple sirup	Total	Total	Per capita	
	1,000 trees	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Pounds	Percent
Average:										
1916-19	16,234	13,518	38,077	51,595	4,887	---	4,887	56,482	0.54	8.7
1920-24	14,880	7,042	34,069	41,111	5,373	---	5,373	46,484	.42	11.6
1925-29	13,642	3,728	32,767	36,495	8,812	214	9,026	54,547	.46	16.5
1930-34	12,284	1,883	28,802	30,685	5,478	703	6,181	36,866	.30	16.8
1935-39	11,375	1,048	29,953	31,001	7,630	1,109	8,739	39,740	.31	22.0
1940-44	9,648	605	28,283	28,888	6,676	2,953	9,626	38,517	.29	25.0
1945-49	8,352	342	16,614	16,956	7,075	3,523	10,598	27,554	.19	38.5
1950	8,090	338	22,066	22,404	8,894	5,282	14,176	36,580	.24	38.8
1951	7,301	243	19,162	19,405	8,079	3,561	11,640	31,045	.20	37.5
1952	6,802	202	17,633	17,835	11,794	5,749	17,543	35,378	.23	49.6
1953	6,335	131	13,288	13,419	12,565	4,873	17,438	30,857	.19	56.6
1954	6,391	---	18,392	18,392	9,135	4,096	13,231	31,623	.20	41.8
1955	6,138	---	17,358	17,358	8,283	5,044	13,327	30,685	.19	43.4
1956	5,666	---	16,819	16,819	9,308	7,090	16,398	33,217	.20	49.4
1957	5,346	---	18,667	18,667	6,755	8,348	15,103	33,770	.20	44.7
1958	4,612	---	15,312	15,312	8,259	7,235	15,494	30,806	.18	50.3
1959	4,517	---	12,485	12,485	10,186	7,620	17,806	30,391	.17	55.2
1960	---	---	12,364	12,364	7,895	10,009	17,904	30,368	.17	59.2
1961	---	---	16,720	16,720	8,221	9,967	18,188	34,908	.19	52.1
1962	---	---	15,906	15,906	5,128	10,252	15,380	31,286	.17	49.2
1963	---	---	12,265	12,265	6,820	11,778	18,598	30,863	.16	60.3
1964	---	---	16,863	16,863	7,413	7,439	14,852	31,715	.17	46.8
1965 4/	---	---	13,541	13,541	6,610	9,291	15,901	29,442	.15	54.0

1/ 1 gallon of maple sirup weighs 11 pounds and contains 8 pounds of maple sugar.
2/ Virtually all imports come from Canada.
3/ Production plus imports--U. S. exports are negligible.
4/ Preliminary.

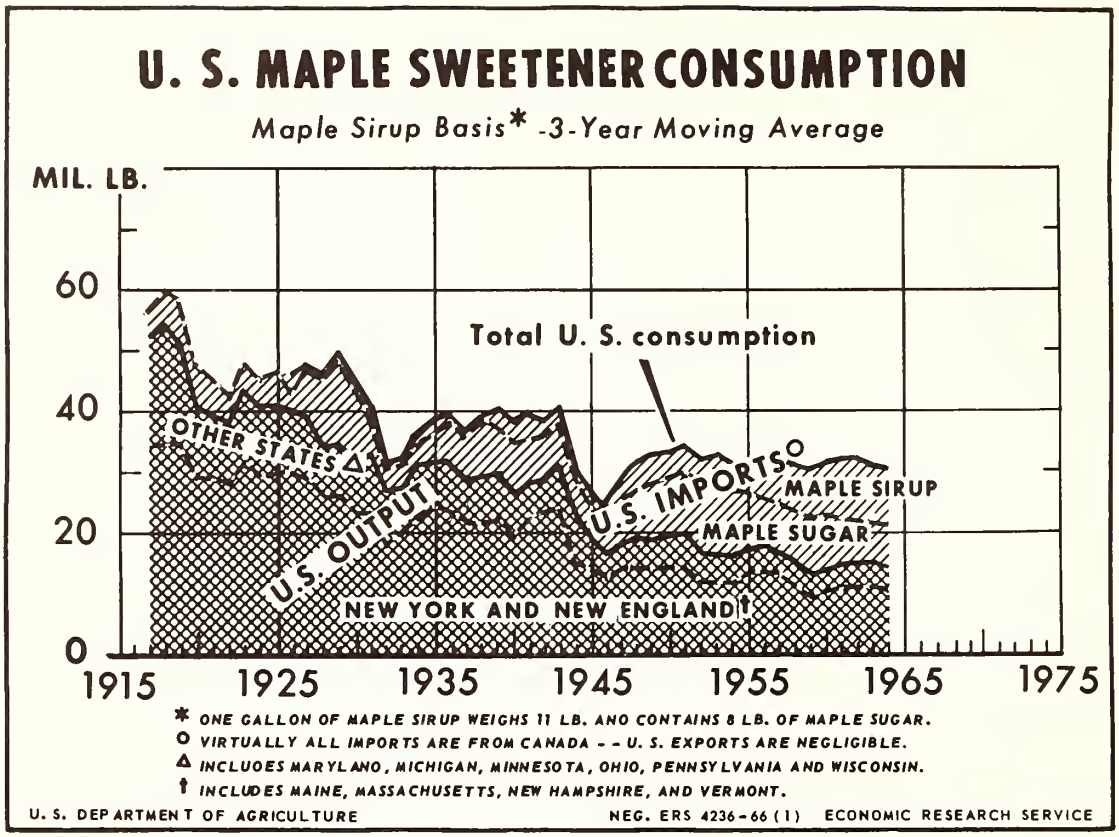

Figure 5

Since 1950, U. S. average farm prices for maple sirup have crept up irregularly to a high of 45.6 cents per pound in 1965. On a maple sugar basis, the equivalent farm price was 62.8 cents (table 9). The 1965 price was triple the 1916-19 average. Prices of imported maple products have followed roughly the same historical pattern as domestic maple sweeteners. However, they are substantially lower than comparable domestic maple sweeteners.

The large increase in output of blended sirups from 1916 to 1965 appears directly related to an increasing sugar-maple sugar price gap (table 9). In 1965, the average U. S. farm price of 1 pound of maple sirup (maple sugar basis) would purchase 6.2 pounds of refined sugar (Northeast prices). The average price of 1 pound of the imported product (maple sugar basis) would purchase about 4.5 pounds of refined sugar (Northeast prices). But back in 1916-19, the price of 1 pound of either imported or domestic maple sugar would have purchased only 2.4 to 2.5 pounds of refined sugar.

Table 9.--Maple sweetener (maple sugar basis) and refined sugar prices, United States, specified periods, 1916-19 to 1965 1/

Period	Price of U. S.-produced maple sirup 2/		Price of U. S. imports 3/			Northeast refined sugar, wholesale price 4/	Sugar/maple sweetener price ratio 5/	
	Sirup basis	Sugar basis	Maple sirup	Maple sugar	Weighted average		U. S. output	U. S. imports
	Dollars per gallon	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Ratio	Ratio
Average								
1916-19	1.52	19.0	6/	19.9	19.9	8.00	2.38	2.49
1920-24	2.07	25.8	6/	18.4	18.4	7.79	3.31	2.36
1925-29	2.07	25.8	6/	16.9	16.9	5.56	4.64	3.04
1930-34	1.63	20.4	13.6	18.6	18.0	4.45	4.58	4.04
1935-39	1.57	19.6	12.9	15.6	15.3	4.76	4.12	3.21
1940-44	2.35	29.4	17.9	20.9	20.0	5.24	5.61	3.82
1945-49	4.38	54.7	33.6	37.8	36.4	7.20	7.60	5.06
1950	4.16	52.0	31.9	39.6	36.7	8.00	6.50	4.59
1951	4.25	53.2	29.8	38.9	36.1	8.38	6.35	4.31
1952	4.43	55.4	29.1	38.7	35.6	8.62	6.43	4.13
1953	4.75	59.4	35.6	42.0	40.2	8.72	6.81	4.61
1954	4.63	57.9	54.7	57.7	56.8	8.72	6.64	6.51
1955	4.68	58.5	49.2	61.6	56.9	8.59	6.81	6.62
1956	4.79	59.9	35.1	54.5	46.1	8.77	6.83	5.26
1957	4.45	55.6	30.6	45.6	37.3	9.15	6.08	4.08
1958	4.51	56.4	30.7	40.6	36.0	9.27	6.08	3.88
1959	4.80	60.0	34.9	40.6	38.1	9.33	6.43	4.08
1960	4.96	62.0	38.9	42.6	40.5	9.43	6.57	4.29
1961	4.78	59.8	40.2	45.0	42.3	9.40	6.36	4.50
1962	4.68	58.5	43.6	44.1	43.8	9.60	6.09	4.56
1963	4.85	60.6	44.0	45.1	44.4	11.94	5.08	3.72
1964	5.01	62.6	43.9	46.1	45.0	10.68	5.86	4.21
1965 7/	5.02	62.8	44.4	46.7	45.4	10.17	6.18	4.46

1/ 1 gallon of maple sirup weighs about 11 pounds and contains 8 pounds of maple sugar.
2/ Average farm price.
3/ Foreign price (at point of shipment).
4/ Wholesale basing point offer price in 100-pound bags, not delivered price.
5/ The number of pounds of refined sugar (at reported market prices) equivalent to the price of 1 pound of maple sweetener (sugar basis).
6/ Imports of maple sirup were nil or negligible.
7/ Preliminary.

Domestic consumers have considerable price incentive to substitute blended sirups for pure maple sirup. One can generally purchase almost 3 times as much blended sugar sirup (85 percent) and maple sirup (15 percent), as pure maple sirup for the same retail price. Maple-honey flavored sirup 3/ and buttered sirups 4/ generally sell for a somewhat higher price than sugar and maple blends. About 4 times as much pancake and waffle sirup (with imitation maple flavor) 5/ can be purchased for the same price as pure maple sirup. For the calorie conscious user, prices of imitation maple flavor-artifically sweetened sirups 6/ usually are about a half to four-fifths the price of the same volume of pure maple sirup.

Production Trends

There has been a long-term decline in U. S. production of maple sweeteners, from 52 million pounds (sirup basis) annually during 1916-19 to about 15 million pounds during 1961-65. However, the rate of decline has slowed greatly in recent years. Domestic maple sugar output is currently negligible. Long-term trends in production in individual States have been generally similar to the overall decline in U. S. output. New York and Vermont each produce about a third of U. S. output and the remaining third is produced by 9 other States.

The decline in domestic maple sirup production is directly related to the drop from an annual average of 16.2 million trees tapped in 1916-19 to 4.5 million in 1959; there has been no apparent trend in output per tree. The number of trees currently tapped represents less than 5 percent of the trees accessibly available.

Even though U. S. output of maple sweeteners has greatly dropped since 1916-19, average output per farm has about doubled. Even so, production of maple sirup remains a part-time enterprise. Labor productivity in maple sirup production has declined relative to many other farm commodities.

Marketing Maple Products

There are currently about 7,000 domestic maple sirup producers who collect maple sap and concentrate it into sirup. About 100 processors in the United States purchase maple sirup for processing and resale. Most are relatively small and purchase less than 10,000 pounds annually, but a few purchase in excess of 60,000 pounds. Processors purchase bulk maple sirup or maple sugar either from domestic or Canadian sources. Bulk table grade sirups and all dark sirups are sold to blenders.

There are only a few blenders in the United States, but the output of the largest blender is many times that of the largest processor. The flavor of table sirup is intensified ("high-flavor") before blending with sugar sirups. Blenders distribute their product domestically in consumer containers under their own labels and also under private labels.

3/ Contains 7.5 percent maple sirup, 2.5 percent honey, 23 percent corn sirup, and 67 percent sugar sirup. 4/ Contains 2 percent butter, 2 percent maple sirup, 14 percent corn sirup, 80 percent sugar sirup, and imitation maple flavor.
5/ Contains corn and sugar sirups, imitation maple flavor, and caramel color.
6/ Contains noncaloric sweeteners.

Current Research and Innovations

Since about 1950, production of maple sirup has undergone many changes. A long-term research program aimed at producing maple trees with sap having higher sugar content has begun. New innovations both in collecting sap and making sirup have helped to reduce relative unit costs of output and to produce better quality and more sanitary products.

Maple flavor has not been completely identified, but research indicates it comes from chemical products of sugar breakdown, and soluble lignin products. A new process ("high-flavor") heats table-grade sirups in such a way that 4 to 5 times more maple flavor is developed. When 1 part of high-flavored maple sirup is mixed with 3 parts of sugar sirup, the resulting product is similar to pure maple sirup. Because dark sirups contain considerable caramel flavor, they should not be used with this process because the undesirable caramel flavor is intensified.

The establishment of central evaporators is another recent development. The producer collects sap and takes it to the central evaporator for concentration. If supplied a sufficient quantity of sap, the central evaporator processes sirup at considerably lower unit costs than smaller producers. There are currently less than 50 central evaporators in operation.

Foreign Trade

The United States produces a third of total world output of maple sweeteners, but consumes about two-thirds. Canada produces most of the remainder, largely in Quebec. Although U. S. output has declined, Canadian production of 32 million pounds is nearly the same as in the 1920's. U. S. imports from Canada increased from less than 5 million pounds (sirup basis) during 1916-19, to over 16 million pounds in recent years, from 9 percent of U. S. consumption in 1916-19 to about 55 percent during 1960-65. Imports appear to vary sufficiently to maintain relatively stable U. S. consumption. Since about 1960, U. S. imports of maple sirup from Canada have increased relative to maple sugar because of a shift in Canadian production and import demands in the United States. Since 1948, U. S. maple sirup imports have been dutiable at 1.5 cents per pound and maple sugar at 2 cents per pound.

U. S. exports were negligible during 1960-65 and consisted mostly of maple sirup in consumer containers. Because the Canadian duty currently is 17½ percent ad valorem and Canadian market prices normally are lower than U. S. prices, it appears unlikely that U. S. exports to Canada will increase in future years.

FOOD AROUND THE WORLD

Current Food Situation 1/

World Per Capita Output Declined

Total world production of food products in 1965 was about 1 percent higher than in 1964, a smaller gain than in each of the previous 2 years and less than the 2-percent rise in world population. Per capita world production has remained generally steady in recent years; it has not topped the postwar high point in 1958 (figure 6). In 1965, per capita output was well above the level at the end of World War II, but only slightly exceeded the 1935-39 average.

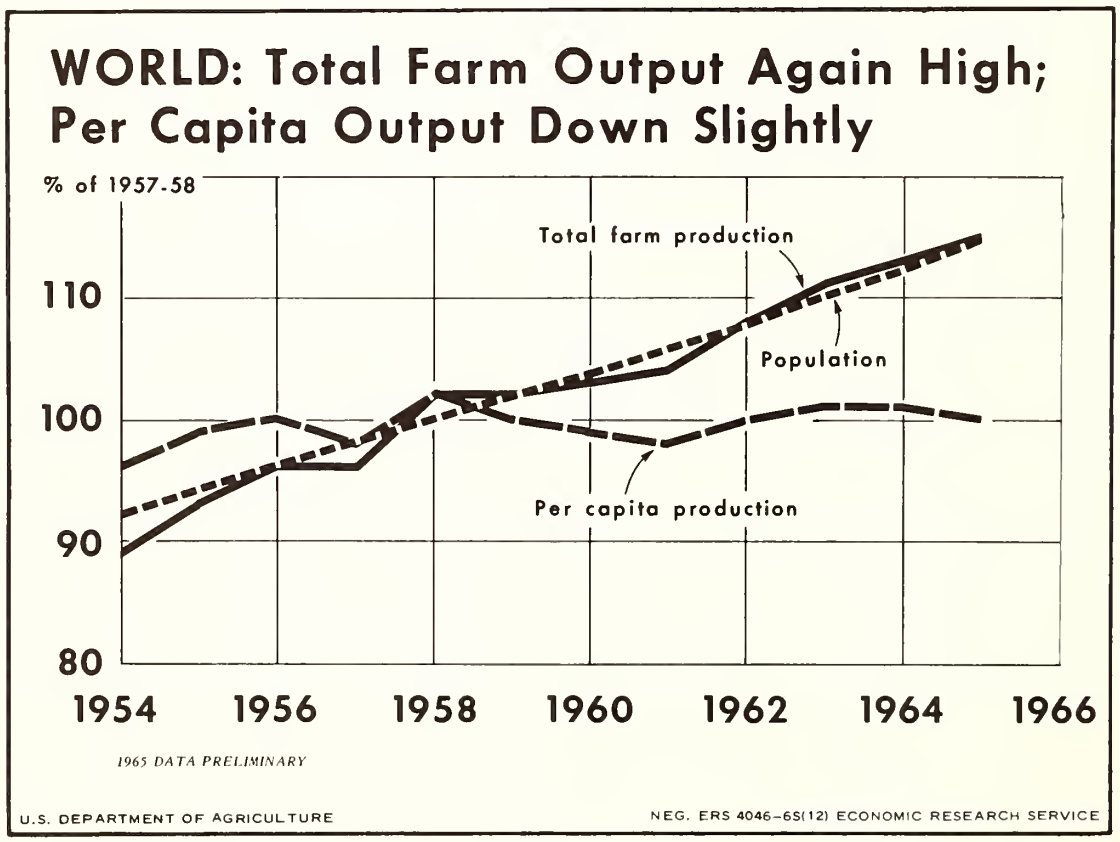

Figure 6

2/ Prepared by Foreign Regional Analysis Division, ERS.

Although production in the Western Hemisphere and Western Europe rose faster than population, the reverse was true in most of the rest of the world. Total production fell in Eastern Europe and in the USSR, dropping output per capita significantly. In Asia, including China, total food output was larger than in 1964, but output per person declined. Grain production in India was down sharply.

World wheat production in 1965/66 2/ is expected to be about 3 percent below the record harvest of the previous year (table 10). Rice production (including Mainland China) is expected to be at about the same level as last year. World output of feed grains will likely be up for 1965/66 because of record crops of corn and sorghum and an upturn in the production of oats. The output of barley declined about 4 percent.

World production of potatoes declined 7 percent in 1964/65. Production in the United States increased 24 percent from a year earlier, but production in Western Europe was down 5 percent and in the USSR and Eastern Europe was down 11 percent.

Production of vegetable oil crops set new records in 1965. Soybeans increased 16 percent, flaxseed 10 percent, and rapeseed 26 percent. Production of peanuts and sunflower seed declined 3 percent. Cottonseed approximated the previous year's high level.

The lag of world sugar output behind consumption in recent years was reversed in 1964/65, and in 1965/66 production may exceed consumption by about 5 million short tons. Because of ample supplies, prices of sugar on world markets in 1965 were at their lowest postwar levels. The output of coffee during 1965/66 is expected to total 51 percent above a year earlier and be the largest since 1959/60. However, prices have declined only moderately, due largely to the stabilizing effects of the International Coffee Agreement.

Output of livestock products increased slightly in 1965. Meat production totaled about the same as in 1964. Beef output remained unchanged, pork and poultry meat increased, and lamb and mutton declined. Both milk and lard production were 2 percent above the 1964 levels of output.

Western Hemisphere Output Up

Total farm production in Canada was at a record high level in 1965, following the drought-induced decline of 7 percent last year. The 1965 wheat crop was well above the 1964 crop but below the record 1963 harvest. Gains also were registered for all other major crops, except potatoes and sugarbeets. Increased output of beef, veal, and poultry meat more than offset a small decline in pork.

2/ See note to table 10 for explanation of split years used in this article.

Table 10.--Estimated world production of selected agricultural commodities, average 1955/56-1959/60, and annual 1962/63 to 1965/66

Commodity	Unit	Average 1955/56-1959/60	1962/63	1963/64	1964/65	1965/66 1/	Percent change 2/ 1964/65 to 1965/66	Percent change 2/ 5-year av. to 1965/66
Wheat	Mil. m.t.	217	238	227	253	245	-3	13
Rye	Mil. m.t.	37	32	30	32	33	3	10
Rice, rough 3/4/	Mil. m.t.	218	237	246	253	253	0	16
Corn 4/	Mil. m.t.	166	191	206	195	208	6	25
Barley	Mil. m.t.	71	85	89	93	89	-4	25
Oats	Mil. m.t.	59	49	46	42	45	5	-25
Sorghum & millet 5/	Mil. m.t.	28	34	35	34	37	7	30
Sugar, centrifugal	Mil. m.t.	45.0	49.8	54.3	65.3	63.5	-3	41
Sugar, non-cent 6/	Mil. m.t.	6.6	6.4	8.0	8.4	8.5	1	28
Fruits, citrus	Mil. m.t.	7/ 14.5	15.2	16.6	18.2	18.8	3	30
Apples & pears 8/	Mil. m.t.	13.0	16.7	17.4	18.0	16.4	-9	26
Potatoes 9/	Mil. m.t.	232	217	239	246	229	-7	-1
Dry beans 10/	1,000 m.t.	4,014	4,513	5,035	4,990	4,808	-4	20
Dry peas 11/	1,000 m.t.	603	585	581	567	499	-12	-17
Hops 12/	1,000 m.t.	71	80	92	93	96	3	36
Soybeans	Mil. m.t.	24.3	28.3	28.3	28.1	32.5	16	34
Peanuts	Mil. m.t.	13.4	14.7	15.2	16.3	15.8	-3	18
Cottonseed	Mil. m.t.	19.3	20.8	21.8	22.8	23.0	1	19
Flaxseed	1,000 m.t.	3,356	3,558	3,469	3,345	3,683	10	10
Sesame seed	1,000 m.t.	1,463	1,513	1,505	1,500	1,515	1	4
Castor beans	1,000 m.t.	498	611	683	835	706	-15	42
Sunflower seed	1,000 m.t.	5,129	6,778	6,107	7,643	7,442	-3	45
Rapeseed	1,000 m.t.	3,481	3,728	3,451	3,591	4,533	26	30
Olive oil	1,000 m.t.	13/ 990	939	1,691	974	1,134	16	15
Palm oil	1,000 m.t.	1,265	1,238	1,261	1,270	1,275	0	1
Palm kernel oil	1,000 m.t.	406	367	372	376	372	-1	-8
Coconut oil	1,000 m.t.	2,074	2,109	2,195	2,209	2,200	0	6
Butter 14/	1,000 m.t.	7/ 4,581	4,899	4,944	5,035	5,080	1	11
Milk 15/	Mil. m.t.	7/ 263.4	283.8	282.2	286.6	293.7	2	12
Meats 16/	Mil. m.t.	7/ 44.5	49.9	51.5	50.9	51.0	0	15
Eggs 17/	Mil. m.t.	7/ 10.8	12.2	12.3	12.6	12.8	1	19
Lard	1,000 m.t.	7/ 3,080	3,252	3,234	3,035	3,084	2	0
Tallow & greases 4/	1,000 m.t.	7/ 2,930	3,307	3,665	3,856	3,833	-1	31
Tobacco	1,000 m.t.	3,864	3,937	4,357	4,652	4,481	-4	16
Coffee	Mil.bags 18/	58.3	67.4	70.7	51.7	78.2	51	34
Tea	1,000 m.t.	866	1,026	1,039	1,086	1,096	1	27
Cocoa beans	1,000 m.t.	887	1,157	1,243	1,514	1,420	-6	60
Cotton	Mil.bales 19/	43.9	47.8	50.2	52.0	52.5	1	20
Wool	1,000 m.t.	7/ 2,443	2,586	2,640	2,629	2,526	-4	3
Jute	1,000 m.t.	7/ 2,087	2,388	2,421	2,322	2,436	5	17
Sisal	1,000 m.t.	532	635	665	698	726	4	31
Henequen	1,000 m.t.	135	171	151	158	158	0	17
Abaca	1,000 m.t.	117	101	118	112	109	-2	-3

Note: Except for rice, corn, and sorghum & millet, the data are as published by FAS. Statistics for sorghum & millet are official estimates for 9 countries compiled by ERS. Statistics refer either to calendar years corresponding to the first year shown in the column heading or to crop years beginning (except for sugar) in the first year shown. For livestock products, rice, corn, sorghum & millet, potatoes, hops, oilseeds (except cottonseed), oils (except olive oil) and tobacco, tea, jute, and hard fibers the data refer to calendar years. For coffee and cocoa beans the data refer to crop years beginning July to October of the first year shown. For cotton and cottonseed the data refer to crop years beginning August 1 of the first year shown. For sugar the data refer to production in national sugar campaigns beginning between May 1 of the first year and April 30 of the second year shown in the column heading. For other commodities, harvests in the Northern Hemisphere beginning in the first year shown are combined with Southern Hemisphere harvests which immediately follow.

1/ Preliminary. 2/ Computed from unrounded data. 3/ Includes Communist Asia and USSR. 4/ FAS estimates adjusted to calendar years. 5/ 9 countries; calendar years. 6/ Selected countries only. 7/ 1956-60 average. 8/ Dessert and cooking; 20 countries. 9/ 32 countries. 10/ 30 countries. 11/ 19 countries. 12/ 21 countries. 13/ 1954/55-1957/58 average. 14/ Product weight; includes ghee. 15/ 36 countries. 16/ 44 countries; excludes poultry and variety meats. 17/ 38 countries. 18/ 60 kg. bags of 132 pounds each. 19/ Bales of 480 pounds net.

Food output in Latin America in 1965 likely set a new record and increased more rapidly than population, reversing the situation of a year earlier. Improvement resulted mainly from better weather in South America, particularly in Brazil. Total production in Mexico, Central America, and the Caribbean showed gains, but per capita output was probably down except for the Caribbean. In South America, declines in food output in Argentina, Chile, and Uruguay were more than offset by large gains in Brazil and smaller increases in Colombia, Venezuela, Peru, Ecuador, Bolivia, and Paraguay. However, per capita output was down in Peru.

Western Europe Output Up

Agricultural production in Western Europe in 1965 increased to a record level, about 2 percent above the previous year. The record output was achieved despite adverse weather, particularly in Spain and Portugal which were affected by a second successive year of drought conditions. Wheat production, which reached a new peak in 1965, increased in France, Italy, and the United Kingdom but declined in Germany and most other Western European countries. Most North European countries harvested wet grain of poor quality. Pork output reached a record high in 1965, about 7 percent over the previous year. Western Europe continued to have shortages of beef and veal in 1965 because of continued increasing demand and a tight world supply situation. Argentina, which traditionally has supplied most of the beef imported into Europe, has not been able to do so since mid-1964 due to herd rebuilding. Beef prices in Western Europe continued at about the peak 1964 level until late 1965 when a seasonal downturn occurred.

USSR and Eastern Europe Output Down

Agricultural output in the Soviet Union in 1965 was down sharply from the peak 1964 level, but remained considerably above the disastrous 1963 level. Per capita output was less than in 1957-59. Serious drought conditions plagued the eastern spring grain regions; yields were reduced to low levels, particularly for wheat. As a result, the USSR has purchased 9.8 million metric tons of wheat for delivery during 1965/66. Output of most other crops was down sharply in 1965 but generally above the level of earlier years. The serious decline in food crop production was partly mitigated by livestock output, which recovered well from the sharp drop in 1964.

Food production was up sharply in Rumania, remained unchanged in Bulgaria and Hungary, and dropped sharply in Yugoslavia. Near-drought conditions in these Danubian countries reduced the output of corn except in Hungary where a cool, wet summer delayed maturity of the crop. Wheat production declined in Yugoslavia but increased in the other Danubian countries.

Food production in Poland increased in 1965, largely because of a substantial increase in hog slaughter. In Czechoslovakia, output was down 12 percent; East German agricultural output rose slightly. Production of potatoes (an important food and feed crop in these 3 countries) declined.

African Output
About Steady

In 1965, agricultural production in Northern Africa registered a gain for the fourth consecutive year. However, per capita production has not risen in the past 7 years and Northern Africa remains a net food-deficit area. Largest deficits are reported for the United Arab Republic, whose needs account for about two-thirds of the bread-grain deficit.

Weather conditions varied widely in Africa south of the Sahara. Production was adversely affected by drought in the Republic of South Africa and by the partial failure of the "long rains" in East Africa. Most of the rest of the huge area south of the Sahara had normal rains and supplies of subsistence crops--corn, sorghum, cassava, yams, plantains, and others--to feed the population.

West Asia Up,
South Asia Down,
Far East Steady

West Asia's total agricultural output in 1965 exceeded the high production level of 1964 by about 2 percent. Per capita farm production rose 1 percent above the previous year but was only 4 percent above the 1957-59 average. In Turkey, output of all grains except corn rose in 1965, most fruit and vegetable crops were good, but yields were lower for sugarbeets and olives. In Iran, total farm production increased by nearly 10 percent. Although Iraq's date production fell, field crops and livestock returns were satisfactory and farm output rose 3 percent. Increased returns of wheat and most fruits and vegetables in Lebanon and Israel contributed to a rise in farm production during 1965.

There was a sharp downturn in cereal production in India, which reportedly is experiencing the worst drought of this century. Indian Government officials have stated that India will need to import at least 50 percent more grain than the 7 million metric tons imported in 1965 to meet food requirements during the coming year. Pakistan's foodgrain output registered a slight gain, but its requirements for imported wheat for 1966 are not expected to differ greatly from the 1.8 million metric tons imported in 1965.

In Southeast Asia (Burma, Gambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, South Vietnam, and Thailand), production in 1965 was generally very good. Several countries had record harvests. Though this region is historically noted for its export surplus of food, principally rice, 5 countries in the region--the Philippines, Indonesia, Vietnam, Malaysia, and Singapore--had to import rice in 1965.

In the countries of Northeast Asia--Japan, South Korea, and the Republic of China--weatner for crop production was generally favorable and harvests were somewhat above the level of the previous year. The livestock industry in Japan

continued to expand rapidly and to import large amounts of feed grains--principally corn from the United States. All 3 countries are substantial importers of agricultural commodities.

Gross agricultural production in Mainland China in 1965 is estimated to have equaled or slightly exceeded that in 1964. Food production was about the same as in 1964; smaller grain crops offset higher production of other food crops and livestock. This was the fourth straight year in which crops exceeded the 1959-61 average. However, production of most agricultural commodities, including livestock, was less than in 1957, officially claimed to be mainland China's best agricultural year. Availability of per capita food supplies during 1965/66--including 6.5 million metric tons of imported grain--is expected to be slightly less than in the previous year, and will furnish only slightly more than 80 percent of the minimum requirements of 2,350 calories per person per day, based on a United Nations' estimate. The balance and the quality of the diet, however, has improved somewhat since 1959-61.

Oceania Output Down

Widespread drought in Australia will curtail harvests in 1965/66. Wheat plantings have increased in recent years but the 1965/66 harvest is expected to be down sharply from a year earlier and the smallest crop since 1961/62. Significant declines are expected in meat output in 1965/66 due to sheep and cattle losses resulting from poor pasture conditions. In New Zealand, where the economy is largely centered around livestock, total volume of meat production is estimated at 9 percent above the 1964/65 level.

Food Consumption Per Capita 3/

There is a widely different pattern of food consumption in the various regions of the world (table 11). The diets of Western Hemisphere and all of Europe have relatively similar average caloric content. Africa, West Asia, and the Far East use about 20 percent fewer calories per person. But, Oceania consumes more calories per person than any other region.

Sources of Calories

The source of calories within regions varies widely. In the Western Hemisphere and Northwestern Europe, animal products supply about 25 percent of the calories in the diet, in Southwestern and Eastern Europe about 15 percent, in West Asia and Northern Africa 10 percent, and in Southern Africa and the Far East, only 6 percent. Cereal products supply nearly 30 percent of calories in the Western Hemisphere and Northwestern Europe, around 50 percent in Southwestern and Eastern Europe, and over 60 percent in Northern Africa, West Asia, and the Far East. In Southern Africa, about 41 percent of calories are supplied by cereals and 35 percent by starchy crops, primarily bananas and plantains.

3/ Prepared by Helen M. Eklund, Food Consumption Section, ERS.

Table 11.--Source of food energy: Calories, protein, and fat consumption per person per day in U. S. and estimates for various areas of the world; 1959-61 average 1/

Item	Western Hemisphere		Europe			Africa		West Asia	Far East
			Western						
	U. S.	All	Northern	Southern	Eastern	Northern	Southern		
	No.	No.	No.	No.	No.	No.	No.	No.	No.
Calories - total	3,190	2,870	3,060	2,720	2,990	2,230	2,470	2,405	2,120
Cereal products	663	848	856	1,261	1,582	1,446	1,019	1,435	1,350
Starchy crops	100	227	212	164	252	28	864	40	110
Sugar	502	437	416	205	43	147	89	232	150
Pulses	104	131	52	119	297	127	147	97	210
Other fruits and vegetables	197	136	137	202	68	119	32	177	70
Fats and oils	654	414	543	426	284	140	184	188	100
Meat, fish, eggs	539	398	502	187	278	92	92	100	50
Dairy products, excluding butter	431	276	346	158	190	128	46	135	80
	Gram	Gram	Gram	Gram	Gram	Gram	Gram	Gram	Gram
Protein - total	95.3	80.4	88.4	78.6	82.5	69.1	58.7	71.9	54.7
Animal	63.8	43.1	52.0	26.5	28.7	17.3	11.0	16.1	9.0
Pulse	4.8	7.2	2.1	5.5	5.0	7.6	8.6	5.5	11.2
Other	26.7	30.2	34.3	46.6	48.8	44.3	39.1	50.3	34.5
Fat	146.3	102.1	128.8	80.5	72.0	39.9	45.2	46.3	31.5

1/ Regional data based on a total of 90 countries.

Compiled from Food Balances for 24 Countries of the Western Hemisphere, 1959-61, ERS-Foreign 86; ... for 16 Countries of Western Europe, ERS-Foreign 87; ... for 8 East European Countries, ERS-Foreign 124; ... for 30 Countries in Africa and West Asia, ERS-Foreign 119; and ... for 12 Countries in the Far East and Oceania, ERS-Foreign 88.

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Canadian consumption is very similar to that of the United States, with almost precisely the same amounts of the meat, poultry, fish, and eggs group, sugar, and cereal products used per person. Canadians eat more dairy products and starchy crops, but less fruits and vegetables.

The average amount of food energy used by U. S. civilians in 1959-61 was exceeded in only 7 other countries of the 90 studied (table 12). Those countries, listed in order, are: Ireland, New Zealand, Denmark, United Kingdom, Argentina, Australia, and Switzerland. Each of these countries used more cereal products than did the United States--Argentina almost twice as much and about a third more for the 6 other countries (simple average). The 4 Western European countries and Argentina used more starchy crops (potatoes and sweetpotatoes) than the United States--twice as much in Denmark and United Kingdom and 3 times as much in Ireland. Sugar consumption was close to the 108-pound U. S. average except in Switzerland, Australia, and Argentina where it ranged from 14 to 24 pounds lower. Switzerland was the only country that used slightly more pulses and fruit and vegetables than did the United States. New Zealand and Australia used about 28 percent more meat, fish, poultry, and eggs; they derived a fourth of their calories from this food group, compared with a sixth in the United States. Dairy products are slightly more important in the diets of New Zealand and Switzerland than in the United States. Of the 8 countries, Argentina uses the least dairy products.

Latin American countries as a group use about 20 percent less calories than North American countries. They use half again as much cereal products, about twice as much of pulses and starchy crops (including bananas and plantains), but only half as much other fruits and vegetables and fats and oils and about a third as much dairy products.

Differences in diet between northern and southern Western Europe are as striking as are those for North and South America, although the difference in total calories used is not quite so great--Southwestern Europe used 11 percent fewer calories per person than did Northern Europe. On the average, Southwestern Europe used more than twice as many pulses and half again as much fruit and vegetables and cereal products, but only about half as much sugar, dairy products and meat, fish, poultry, and eggs as does Northwestern Europe.

The 8 countries of Eastern Europe that were studied are strikingly similar in total calorie use per person--generally ranging between 2,900 and 3,100 per person per day. The northern countries (Czechoslovakia, East Germany, Hungary, and Poland) use fewer cereal products, potatoes, and pulses than does the Soviet Union; however, they use almost half again as much fruits and vegetables and, on the average, more fats and oils, and meat, fish, poultry, and eggs. The southern countries (Bulgaria, Rumania, and Yugoslavia) use more cereals, pulses, and fruits and vegetables than does the Soviet Union, but much less sugar, potatoes, and meat, fish, poultry, and eggs.

Table 12.--Per capita food consumption and nutrients available, selected countries, 1959-61 1/

Country	Food consumption, per year								Nutrients per day		
	Cereal products	Starchy crops 2/	Sugar	Pulses 3/	Other fruit and vegetables 4/	Fats and oils	Meat, fish, and eggs	Dairy products excluding butter 5/	Food energy	Protein	Fat
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Calories	Grams	Grams
North America											
Canada	152	159	108	11	291	49	225	450	3,110	95.6	140.4
United States	148	108	108	20	395	6/68	223	377	3,190	95.3	146.3
South America											
Argentina	273	190	84	9	284	37	238	196	3,220	101.3	114.9
Brazil	207	222	88	64	222	18	82	123	2,710	65.0	52.1
Dominican Republic	123	209	57	26	585	20	53	99	2,020	41.1	47.8
Ecuador	165	128	46	24	746	11	68	148	2,100	53.3	38.6
Honduras	306	21	46	22	432	9	51	60	2,330	61.1	40.4
Jamaica	176	123	86	44	555	22	97	44	2,270	57.9	53.9
Mexico	315	23	75	49	187	20	62	159	2,580	67.8	60.2
Panama	251	137	46	13	528	11	75	53	2,370	55.2	41.6
Peru	196	288	68	20	260	13	71	62	2,060	51.0	38.2
Trinidad and Tobago	247	86	73	31	244	31	79	75	2,470	62.7	61.5
Western Europe											
Austria	237	191	79	10	358	39	159	402	2,960	86.7	110.1
Belgium-Luxembourg	203	282	74	9	282	52	181	262	2,960	86.8	123.4
Denmark	172	256	106	14	269	62	198	400	3,380	92.5	160.2
Finland	245	220	88	4	119	45	113	706	3,110	93.9	112.0
France	219	237	69	14	361	39	237	260	2,980	103.0	117.4
Greece	358	89	35	38	496	40	98	143	2,960	95.8	85.9
Ireland	245	315	104	6	201	44	184	557	3,470	90.8	130.6
Italy	298	119	48	26	497	36	99	158	2,710	79.0	78.8
Netherlands	181	215	101	10	286	59	149	402	3,000	80.0	129.3
Norway	176	227	91	9	211	53	187	454	2,950	82.0	128.4
Portugal	267	219	40	23	401	35	116	63	2,490	72.4	70.3
Spain	251	266	37	35	470	43	109	138	2,740	74.7	84.5
Sweden	159	192	95	8	218	50	182	435	2,940	82.1	132.9
Switzerland	219	157	94	21	412	44	158	426	3,210	90.7	128.7
United Kingdom	181	215	116	13	254	50	207	362	3,280	88.1	142.7
Eastern Europe											
Bulgaria	446	50	42	14	399	24	64	89	2,910	81.2	58.2
Czechoslovakia	7/280	228	80	7/8	7/210	7/44	7/145	7/205	3,090	70.4	111.8
East Germany	214	371	66	4	245	58	7/171	7/139	3,040	65.6	126.3
Hungary	7/301	216	59	7/6	7/205	7/28	7/143	7/205	2,900	71.4	90.0
Poland	7/312	419	7/58	4	207	28	7/130	7/292	3,100	78.0	93.1
Rumania	428	159	33	13	246	15	79	159	2,840	81.1	50.7
Soviet Union	378	304	66	10	170	23	123	225	3,000	85.9	64.5
Yugoslavia	410	155	34	24	7/207	22	7/69	7/190	2,900	81.8	63.1
Africa											
Ghana	160	677	18	20	605	17	43	9	2,480	51.2	41.2
South Africa	346	35	82	10	161	13	125	243	2,720	84.4	67.7
Tunisia	262	20	41	17	177	11	33	70	1,900	51.8	44.8
Asia											
Ceylon	281	62	47	13	116	9	8/8	24	2,120	47.3	46.8
China (Taiwan)	340	185	27	33	170	9	96	2	2,440	58.8	44.7
India	297	37	63	64	108	8	17	109	2,060	55.6	30.3
Israel	255	69	84	19	572	40	146	194	2,840	90.7	94.8
Japan	337	168	33	30	397	11	134	36	2,360	69.8	31.7
Oceania											
Australia	199	92	88	6	243	46	286	327	3,210	99.8	142.5
New Zealand	181	124	108	7	243	57	284	486	3,460	107.8	159.2

1/ Derived from data in 5 publications of the Foreign Regional Analysis Division, ERS, USDA: Food Balances for 24 Countries of the Western Hemisphere, 1959-61, ERS-Foreign 86; ... for 16 Countries of Western Europe, ERS-Foreign 87; ... for 8 East European Countries, ERS-Foreign 124; ... for 30 Countries in Africa and West Asia, ERS-Foreign 119; and ... for 12 Countries in the Far East and Oceania, ERS-Foreign 88. 2/ Potatoes, sweetpotatoes, yams, and cassava. 3/ Includes peanuts, treenuts, and cacao. 4/ Includes bananas and plantains. 5/ Product weight. Quantities less comparable than other commodity groups because of varying proportions of fluid items. 6/ Includes fat cuts of pork (bacon and saltside). 7/ USDA estimate. 8/ Quantity excludes fish. Nutrient data for Ceylon, however, include an estimate for fish.

The 15 countries studied in Southern Africa averaged 2,470 calories per person per day in 1959-61, the 7 Northern Africa countries averaged 2,230, and the 8 West Asian countries averaged 2,405. Total calories used in the entire region ranged from a high of 2,840 in Israel to a low of 1,900 in Tunisia. Although Southern Africa had the highest total calorie average in this region, it had the lowest amount of animal protein per person, and this in an area of the world which consumes relatively low amounts of animal protein.

Protein Use

Protein supplies per person per day averaged 95 grams in the United States, not much greater than the nearly 90 grams in Northwestern Europe. The Western Hemisphere, as a whole, was about on a par with Southwestern and Eastern Europe with around 80 grams. However, protein supplies were much lower in other parts of the world. West Asia and Northern Africa averaged around 70 grams per person per day and Southern Africa and the Far East averaged only about 55 grams. Of the total protein consumed, Northwestern Europe received about 60 percent in the form of animal protein. This compares with 67 percent in the United States, and 54 percent for the entire Western Hemisphere. But, only about a third of the total protein in Southwestern and Eastern Europe was animal protein, a fourth in Northern Africa and West Asia, and less than a fifth in Southern Africa and the Far East.

Use of Fat

The nutrient fat consumed in the United States averaged close to 150 grams per person per day, much above any other major area. Northwestern Europe's 129 grams compared with 102 grams for the Western Hemisphere as a whole. Southwestern Europe used 80 grams and Eastern Europe 72, but Africa, West Asia, and the Far East ranged from 32 to 46 grams of fat per person per day, less than a third of the amount used in the United States.

Expenditures for Food 4/

Average expenditures for food take a smaller share of total private consumption expenditures in the United States than in any other country of the world for which data are available (table 13). 5/ Canada was a close second to the United States in 1963, followed closely by Australia and Denmark. Other countries that spent an average of less than 30 percent for food in 1963 include Belgium, Norway, Sweden, United Kingdom, South Africa, and Puerto Rico. These countries tend to have relatively high per capita incomes and relatively high levels of food consumption.

4/ Prepared by Stephen J. Hiemstra, Food Consumption Section, ERS.

5/ Food expenditures here are compared with total private consumption expenditures rather than with disposable personal income, the more usual comparison of U. S. data. Disposable income is the total of consumption expenditures and saving, so the percentages in table 13 are slightly higher than computed on the basis of disposable income, as in table 3, p. 7. U. S. food expenditures as a proportion of disposable income was 18.9 percent in 1963 compared with 20.5 percent when taken as a percentage of consumption expenditures (as defined prior to the 1965 revision of National income accounts). Of course, discrepancies and difficulties in obtaining comparable data from different countries probably overshadow the importance of these distinctions.

Table 13.--Expenditures for food as a proportion of private consumption expenditures, by countries, 1955-63 1/

Country	1955	1956	1957	1958	1959	1960	1961	1962	1963
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
North America									
Canada	23.1	23.1	23.4	23.3	22.9	23.0	22.5	22.1	21.7
United States 2/	23.2	23.2	23.0	23.2	21.9	21.4	21.3	20.9	20.5
Latin America									
Dominican Republic	49.7	52.1	51.9	52.5	51.0	---	---	---	---
Ecuador	48.3	49.0	45.6	44.8	44.3	43.9	44.1	44.0	44.2
Honduras	49.9	45.0	44.0	43.2	43.6	43.7	43.8	42.6	---
Jamaica	40.6	39.2	37.8	37.9	36.7	34.7	33.7	---	---
Panama	42.1	39.7	39.3	38.3	38.6	35.5	39.5	36.6	---
Peru	39.0	38.9	38.9	39.7	39.7	---	---	---	---
Puerto Rico	33.0	31.6	31.1	30.3	29.5	28.8	27.4	27.5	27.2
Trinidad and Tobago	37.5	38.0	37.1	37.3	36.8	35.4	36.4	36.6	---
Western Europe									
Austria	38.4	38.0	36.6	36.6	35.2	34.1	33.0	32.9	31.5
Belgium	29.0	29.4	28.3	28.6	28.2	27.1	27.1	27.0	25.8
Denmark	27.6	27.5	26.0	25.8	24.7	23.4	22.4	21.9	22.8
Finland	37.7	38.7	40.2	41.0	39.3	38.7	37.0	36.3	37.0
France 3/	34.0	33.3	31.6	31.8	32.3	31.6	31.0	30.8	30.5
Greece	48.9	46.6	45.7	45.9	45.9	45.1	42.9	43.8	---
Ireland 2/	38.6	37.9	38.0	38.1	38.1	36.8	35.9	35.1	33.7
Italy	46.8	46.7	45.8	45.6	45.2	44.6	44.1	43.1	42.6
Luxembourg	34.7	35.3	35.0	35.1	35.2	34.8	34.2	---	---
Netherlands	33.7	33.3	32.7	32.7	32.4	31.0	31.0	30.7	30.3
Norway	31.6	32.2	31.0	31.5	30.8	30.0	28.9	29.6	28.3
Spain	34.3	35.8	34.9	33.7	35.4	37.5	36.9	36.6	---
Sweden	30.0	30.3	28.8	28.5	27.6	27.6	26.8	27.3	27.0
United Kingdom 2/	31.5	31.5	31.1	30.1	29.6	28.6	28.2	27.9	27.2
Eastern Europe									
Yugoslavia	53.2	53.0	48.3	48.3	46.5	44.8	43.2	45.8	45.7
U.S.S.R.	4/50.1	---	---	---	---	---	---	---	---
Africa									
Ghana	48.8	51.1	50.0	52.1	50.2	47.3	48.3	51.6	53.6
South Africa	30.4	30.8	30.5	29.8	29.8	29.5	29.5	28.5	27.4
Asia									
Ceylon 3/	53.9	53.7	55.2	53.9	49.6	48.6	49.1	49.7	50.9
China (Taiwan) 4/	57.8	56.1	55.0	54.3	53.4	53.3	52.4	51.9	52.1
Israel	34.4	34.4	33.7	33.8	33.2	32.8	31.9	31.1	30.3
Japan 5/	53.5	52.6	51.5	50.8	48.8	46.9	45.3	43.5	43.0
Korea, Republic of	51.8	58.0	56.0	53.2	47.6	47.2	47.1	44.7	51.3
Oceania									
Australia 2/	25.5	25.4	24.7	24.6	23.7	24.0	23.8	23.2	22.8

1/ Total expenditures, defined as those of households and private nonprofit institutions, include expenditures of residents abroad. Food expenditures, excluding beverages unless otherwise indicated, include amounts purchased by nonresidents. As a proportion of disposable personal income, U. S. food expenditures in 1963 equalled 18.9 percent.

2/ Food includes nonalcoholic beverages.

3/ Revised beginning 1959 to improve conceptual basis and achieve better coverage of economic activity; not comparable with earlier years.

4/ Food includes all beverages.

5/ Food data include beverages and tobacco.

United Nations, Yearbook of National Accounts Statistics, 1964, except datum for U.S.S.R. from A. Bergson and S. Kuznets, Economic Trends in the Soviet Union, Harvard University Press, 1963, p. 361.

However, differences in caloric consumption among countries are much less than differences in income. Countries with over about $500 per capita income tend to average roughly the same calorie supply per capita. Increased incomes, and hence total expenditures, beyond this level normally lead to increased food expenditures as shifts are made to more meat and other higher-priced foods such as those that include a larger amount of processing and marketing services. But, increases in food expenditures normally are not as great as increases in income.

Demand for food tends to be more urgent than for most other goods and services but additional increments of income above a subsistence level are more likely to go for nonfood items. This is shown by the gradual decline in food expenditures as a percentage of total expenditures over time for most countries. Also, it is shown by the relatively narrow range in percentages among countries compared with the relatively large differences in per capita incomes. These relationships are based on country-wide averages so they obscure the large variations among individual families within a given country.

Italy was the only Western European country studied that spent over 40 percent of total expenditures for food in 1963. However, several countries in Latin America, Eastern Europe, Africa, and Asia were in this class. A few even spent over half of total expenditures for food. But, comparisons among some of these countries lose significance because nonmoney income is large relative to money incomes--for example, when home-grown food itself constitutes a large share of total income, measurement and valuation problems increase. Further complications arise in comparisons with countries like the USSR that do not have a free exchange economy and with countries that have official exchange rates that differ sharply from the world market value of its currency; income and expenditure comparisons among countries then become less meaningful.

INDEX TO SPECIAL ARTICLES APPEARING IN THE NATIONAL FOOD SITUATION DURING 1965 1/

World Food Situation, NFS-111, February 1965
The Importance of Imports as a Source of Civilian Food, NFS-112, May 1965
Consumption and Prices of Cereal Products, NFS-112, May 1965
Number and Sales of Food and Beverage Retailers, NFS-112, May 1965
Nutritional Review, NFS-114, November 1965
Food and Beverage Sales by the Retail Trade, NFS-114, November 1965
The Sweetener Market--Trends and Prospects, NFS-114, November 1965

1/ This list has appeared in the first-quarter issue of the National Food Situation each year since 1946.

Table 14.--Production of major food commodities, calendar years, selected periods, 1947-65 1/

Commodity	Unit	Average 1947-49	Average 1957-59	1962	1963	1964	1965 preliminary 2/	1965 as a percentage of 1947-49	1965 as a percentage of 1957-59	1965 as a percentage of 1964
Meats (carcass weight) - Total	Mil.lb.	22,100	26,612	28,989	30,595	32,705	31,488	142	118	96
Beef	Mil.lb.	9,649	13,704	15,320	16,450	18,448	18,646	193	136	101
Veal	Mil.lb.	1,454	1,240	1,016	928	1,011	1,019	70	82	101
Lamb and mutton	Mil.lb.	716	711	809	770	715	648	91	91	91
Pork (excluding lard)	Mil.lb.	10,281	10,957	11,844	12,447	12,531	11,175	109	102	89
Poultry and eggs 3/										
Eggs	Mil.doz.	5,086	5,475	5,367	5,318	5,379	5,400	106	99	100
Chicken (ready-to-cook)	Mil.lb.	2,753	4,880	5,840	6,077	6,252	6,655	242	136	106
Turkey (ready-to-cook)	Mil.lb.	491	1,065	1,304	1,342	1,433	1,520	310	143	106
Dairy products										
Total milk	Bil.lb.	4/116.3	123.3	126.0	125.0	126.6	125.5	108	102	99
Cheese 5/	Mil.lb.	1,160	1,396	1,592	1,632	1,726	1,746	151	125	102
Condensed and evaporated milk	Mil.lb.	3,497	2,789	2,409	2,369	2,394	2,217	63	79	93
Ice cream (product weight)	Mil.lb.	2,758	3,212	3,381	3,444	3,531	3,610	131	112	102
Fats and oils - Total fat content 6/	Mil.lb.	7,627	11,070	13,335	13,684	14,053	14,377	189	130	102
Butter (actual weight)	Mil.lb.	1,611	1,477	1,579	1,453	1,468	1,360	84	92	93
Lard 7/	Mil.lb.	2,419	2,584	2,480	2,476	2,476	2,080	86	80	84
Margarine (actual weight)	Mil.lb.	839	1,549	1,726	1,794	1,857	1,905	227	123	103
Shortening	Mil.lb.	1,434	2,022	2,689	2,584	2,664	2,775	194	137	104
Other edible fats and oils 8/	Mil.lb.	3,912	7,297	9,584	10,038	10,395	11,202	286	154	108
Fruits										
Fresh:										
Citrus	Mil.lb.	8,783	6,695	6,180	4,852	5,688	6,400	73	96	113
Apples (commercial)	Mil.lb.	3,775	3,972	3,784	3,775	3,988	3,900	103	98	98
Other (excluding melons)	Mil.lb.	4,493	4,082	4,079	3,687	3,787	3,750	83	92	99
Processed:										
Canned fruit	Mil.lb.	2,597	3,591	4,922	4,371	5,424	4,640	179	129	86
Canned fruit juices	Mil.lb.	2,230	2,177	2,797	2,942	2,293	2,684	120	123	117
Frozen (including juice)	Mil.lb.	415	1,556	2,037	1,232	1,534	1,731	417	111	113
Dried	Mil.lb.	961	697	722	774	820	862	90	124	105
Vegetables 9/										
Fresh 10/	Mil.lb.	18,504	19,921	21,023	21,391	21,081	21,662	117	109	103
Canned	Mil.lb.	5,993	7,620	9,258	8,615	8,495	8,687	145	114	102
Frozen	Mil.lb.	439	1,183	1,493	1,455	1,507	1,614	368	136	107
Potatoes and sweetpotatoes										
Potatoes	Mil.cwt.	248	252	267	272	240	289	117	115	120
Frozen potato products	Mil.lb.	9	287	762	861	1,118	1,300	14,444	453	116
Sweetpotatoes	Mil.cwt.	25.3	18.2	19.4	15.8	15.3	18.0	71	99	118
Dry edible beans 11/	Mil.lb.	1,854	1,797	1,860	2,061	1,779	1,650	89	92	93
Dry field peas 11/	Mil.lb.	401	376	496	476	474	405	101	108	85
Melons 10/	Mil.lb.	4,061	4,454	4,478	4,742	4,292	4,506	111	101	105
Sugar, raw basis	1,000 tons	2,066	2,732	4,399	4,870	5,587	5,430	263	199	97
Grains										
Wheat	Mil.bu.	1,251	1,178	1,094	1,142	1,291	1,327	106	113	103
Rye	Mil.bu.	23.1	28.3	40.8	29.2	33.3	33.3	144	118	100
Rice, rough	Mil.cwt.	35.3	45.7	54.2	66.1	70.3	73.1	207	160	104
Corn, grain only	Mil.bu.	2,787	3,409	3,637	4,092	3,584	4,171	150	122	116
Oats	Mil.bu.	1,282	1,248	1,020	979	880	959	75	77	109
Barley	Mil.bu.	278	448	436	406	403	412	148	92	102
Peanuts, farmers' stock	Mil.lb.	2,128	1,613	1,810	2,022	2,205	2,490	117	154	113

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated.
2/ Based on the best available information but subject to revision in line with later data from the Crop Reporting Board.
3/ Includes an allowance for nonfarm production.
4/ Includes an allowance for nonfarm production of 1.1 billion pounds in 1947-49.
5/ Excludes full skim, cottage, pot, and bakers' cheese.
6/ Includes butter, lard, and "other edible fats and oils."
7/ Includes amount used in manufactured food and nonfood products.
8/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils, oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items.
9/ Excludes potatoes and sweetpotatoes.
10/ Covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use.
11/ Cleaned basis.

Table 15.--Retail food price indexes and Consumer Price Index, selected periods

(Index, 1957-59=100)

Year and month	Food at home																Consumer Price Index
	Meats								Fruits and vegetables							Food away from home	All food
	Beef and veal	Pork	Total 1/	Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fresh	Processed	Total	Cereal and bakery products	Sugar and sweets	Beverages	Total		
1935-39	36.5	43.2	37.8	68.7	28.9	60.3	45.9	65.4	37.3	50.2	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7
1947-49	86.8	92.8	86.7	132.5	86.4	122.7	88.3	117.9	78.4	88.6	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5
1950	97.0	87.8	91.4	126.1	89.0	104.7	84.7	94.2	76.6	81.7	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8
1951	113.3	93.1	103.6	132.1	101.6	127.4	94.5	110.3	83.1	92.4	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5
1952	112.4	92.1	102.6	132.6	99.0	116.3	98.5	93.5	96.6	91.0	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5
1953	88.6	102.5	95.8	129.3	95.3	123.2	96.8	93.9	91.1	93.2	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2
1954	85.3	105.7	95.3	116.7	95.8	103.1	93.7	98.9	89.3	92.6	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6
1955	84.4	91.0	87.7	121.5	93.9	106.5	93.6	95.9	91.0	93.4	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3
1956	83.1	86.4	84.8	106.5	93.8	105.9	96.0	98.0	96.3	96.3	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7
1957	89.2	99.5	94.2	103.8	95.0	100.9	98.8	102.4	97.0	94.2	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0
1958	103.8	106.1	104.9	102.6	101.6	106.1	100.3	101.2	104.0	100.8	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7
1959	106.9	94.4	101.0	93.5	103.4	92.9	101.0	96.5	99.1	105.0	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5
1960	104.2	93.8	99.2	95.0	103.5	100.1	103.2	92.1	105.2	101.4	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1
1961	102.5	98.2	100.5	85.8	105.8	100.1	104.8	98.6	103.5	105.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.2
1962	106.2	99.1	102.5	90.7	110.2	94.6	104.1	98.5	106.3	102.6	105.0	107.6	101.4	89.3	102.2	110.7	103.6	105.4
1963	105.0	96.6	100.9	89.3	110.0	96.0	103.8	95.7	112.6	108.3	111.0	109.1	110.1	90.4	103.5	113.2	105.1	106.7
Jan.	109.3	98.4	103.6	90.0	111.0	103.1	103.8	96.8	108.3	103.2	106.4	108.7	102.0	88.9	103.2	112.3	104.7	106.0
Feb.	108.9	97.1	102.8	91.0	110.0	100.1	103.6	96.8	111.9	105.2	109.4	109.2	102.6	89.1	103.5	112.5	105.0	106.1
Mar.	107.1	95.2	101.2	91.1	110.4	98.6	103.5	96.2	111.8	105.8	109.6	109.1	102.9	88.9	103.0	112.6	104.6	106.2
Apr.	103.5	91.9	98.3	89.8	110.5	96.1	102.9	96.0	115.1	106.5	112.0	109.2	103.1	88.7	102.6	112.8	104.3	106.2
May	103.3	91.5	98.1	88.5	111.1	85.2	102.8	95.5	117.4	107.7	113.9	109.3	106.0	89.2	102.5	112.9	104.2	106.2
June	101.8	94.1	98.6	89.4	110.3	83.6	102.8	95.3	119.7	108.5	115.6	109.2	121.2	89.9	103.4	113.0	105.0	106.6
July	102.9	98.9	100.9	88.9	109.7	88.2	103.3	95.4	124.1	109.3	118.7	109.2	117.9	91.3	104.8	113.1	106.2	107.1
Aug.	104.9	101.0	102.6	88.1	109.1	91.7	104.2	95.7	116.6	110.0	114.2	109.1	114.0	92.0	104.5	113.3	106.0	107.1
Sept.	105.1	100.8	102.6	89.0	109.2	102.8	104.3	95.4	107.0	110.2	108.1	109.1	110.0	91.8	103.8	113.6	105.4	107.1
Oct.	104.8	98.2	101.4	88.5	108.8	103.6	104.6	95.2	104.0	110.4	106.3	109.1	109.9	91.6	103.2	114.0	104.9	107.2
Nov.	104.6	96.1	100.4	88.5	109.5	99.2	104.8	95.1	106.7	111.1	108.2	109.1	114.3	91.8	103.4	114.0	105.1	107.4
Dec.	103.3	95.5	99.7	89.0	109.7	99.6	105.0	95.4	109.0	111.4	109.8	109.0	117.0	92.1	103.7	114.3	105.4	107.6
1964 6/	101.9	96.1	99.4	87.3	107.4	95.0	104.7	95.4	119.2	110.8	115.3	109.6	115.5	101.4	104.7	115.2	106.4	108.1
Jan.	102.2	94.8	99.0	87.4	108.8	106.0	105.0	96.2	113.2	112.0	112.4	109.1	117.9	93.4	104.2	114 3	105.8	107.7
Feb.	102.2	94.7	99.0	87 1	108.5	101.4	104.8	95.9	115.6	112.2	113.9	109.0	118.3	95.7	104.4	114.4	106.0	107.6
Mar.	100.6	93.6	97.9	86.5	107.1	93.3	104.5	95.1	117.7	112.2	115.1	108.8	117.6	98.6	104.0	114.7	105.7	107.7
Apr.	100.5	93.3	97.7	85.7	107.1	90.8	104.1	95.4	118.6	112.5	115.7	108.8	117.0	101.0	103.9	114.9	105.7	107.8
May	99.7	92.8	97.3	85.7	106.9	85.3	103.9	95.0	119.0	111.9	115.7	108.9	116.6	102.4	103.7	115.0	105.5	107.8
June	99.0	93.5	97.2	87.5	106.5	83.3	104.0	94.6	127.4	111.4	120.2	109.2	115.5	103.4	104.4	115.1	106.2	108.0
July	101.4	97.2	99.5	89.1	106.5	87.9	104.3	95.0	131.4	111.1	122.3	109.2	114.3	103.8	105.7	115.2	107.2	108.3
Aug.	101.7	98.8	100.2	87.5	106.6	93.8	104.4	94.7	123.0	110.3	117.3	109.6	114.2	104.1	105.3	115.3	106.9	108.2
Sept.	105.1	102.7	103.0	87.7	106.4	104.9	104.6	94.7	114.5	109.6	112.2	109.9	114.0	103.7	105.6	115.5	107.2	108.4
Oct.	104.6	99.7	101.9	88.2	107.2	100.3	105.3	95.4	114.1	109.1	111.7	110.4	113.9	103.4	105.3	115.7	106.9	108.5
Nov.	103.3	96.9	100.4	87.8	108.0	98.5	105.3	96.1	116.4	109.0	113.0	110.7	113.7	103.4	105.1	115.9	106.8	108.7
Dec.	102.9	95.4	99.8	87.9	108.7	94.9	105.6	97.6	119.4	108.6	114.5	111.0	113.4	103.4	105.1	116.0	106.9	108.8
1965	106.8	109.4	106.9	90.0	110.6	92.8	105.0	102.9	121.7	107.3	115.2	111.2	113.5	100.6	107.2	117.8	108.8	109.9
Jan.	103.1	96.2	100.1	86.7	109.3	91.6	105.6	100.7	115.7	108.6	112.4	111.1	113.5	103.3	104.8	116.1	106.6	108.9
Feb.	102.4	97.0	100.0	89.2	110.1	86.1	105.2	102.2	118.2	107.5	113.3	110.7	113.3	103.0	104.8	116.3	106.6	108.9
Mar.	102.6	97.4	100.3	88.9	109.9	83.5	105.0	102.5	122.2	106.9	115.3	110.9	113.6	101.5	105.0	116.5	106.9	109.0
Apr.	102.6	97.5	100.4	89.0	110.1	88.6	104.5	103.4	126.4	106.7	117.6	111.0	113.7	100.4	105.5	116.8	107.3	109.3
May	103.9	98.6	101.3	87.4	110.3	87.5	104.2	103.6	133.5	106.2	121.4	110.8	113.7	99.8	106.2	116.9	107.9	109.6
June	109.6	108.9	108.0	93.5	110.4	83.9	104.0	103.9	141.6	105.8	125.9	111.0	113.9	100.2	108.8	117.2	110.1	110.1
July	110.9	117.2	111.6	93.0	110.8	87.2	104.3	103.5	138.6	106.1	124.3	111.1	113.8	100.2	109.7	117.6	110.9	110.2
Aug.	110.1	119.9	112.5	92.3	111.1	90.5	105.0	103.3	121.2	106.4	114.6	111.1	113.9	100.4	108.6	118.2	110.1	110.0
Sept.	109.8	119.9	112.5	92.0	111.0	98.6	105.3	103.1	110.2	106.7	108.5	111.3	113.8	100.1	108.0	118.8	109.7	110.2
Oct.	109.1	118.8	111.8	89.5	111.1	103.5	105.5	103.0	109.7	107.4	108.5	111.3	113.8	99.8	107.8	119.2	109.7	110.4
Nov.	108.3	118.3	111.3	89.5	111.3	102.6	105.8	102.9	111.2	108.8	109.9	111.4	112.4	99.5	107.8	119.6	109.7	110.6
Dec.	108.9	122.8	113.3	89.4	111.5	109.6	106.1	102.8	112.2	110.0	111.0	112.2	113.0	99.5	108.9	119.9	110.6	111.0

1/ Beef, veal, lamb and mutton, pork, and processed meat.
2/ Chicken only prior to 1964.
3/ Includes butter.
4/ Excludes butter.
5/ Data not collected prior to 1953.
6/ Revised beginning January 1964. Item selection and quantity weights reflect the buying pattern of wage earners and clerical workers in 1960-61 and for the first time include single person families. Series are linked at December 1963. The averages for fats and oils after December 1963 are computed by Economic Research Service using data for items additional to those in the CPI.

Bureau of Labor Statistics.

SELECTED RECENT ARTICLES, REPORTS, AND SPEECHES PERTAINING TO FOOD CONSUMPTION DATA AND ANALYSES 1/

Consumption and Demand

Food Expenditures of Urban Families, 1950 to 1960-61, by Laura Mae Webb. Survey of Consumer Expenditures, 1960-61, BLS Report No. 238-9, May 1965. 6 pp. [Reprinted from Monthly Labor Review, February 1965, Vol. 88, No. 2, pp. 150-153, with additional text and tables.] 2/

"Expenditure Patterns of Low-Consumption Families," by Helen H. Lamale. Presented December 30, 1964, at the Annual Meeting of the American Statistical Association in Chicago, Illinois. 16 pp. 2/

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1/ Unless otherwise indicated, items listed are Economic Research Service publications and single copies may be obtained free from the Division of Information, Office of Management Services, U. S. Department of Agriculture, Washington, D. C. 20250. 2/ May be obtained from U. S. Department of Labor, Bureau of Labor Statistics, Washington, D. C. 20212. 3/ Address request to National Industrial Conference Board, Inc., 845 Third Avenue, New York, N. Y. 10022. 4/ May be obtained from Information Division, Agricultural Research Service, Federal Center Building, Hyattsville, Maryland 20781. 5/ May be obtained from Information Division, Consumer and Marketing Service, U. S. Department of Agriculture Washington, D. C. 20250. 6/ For sale by Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.

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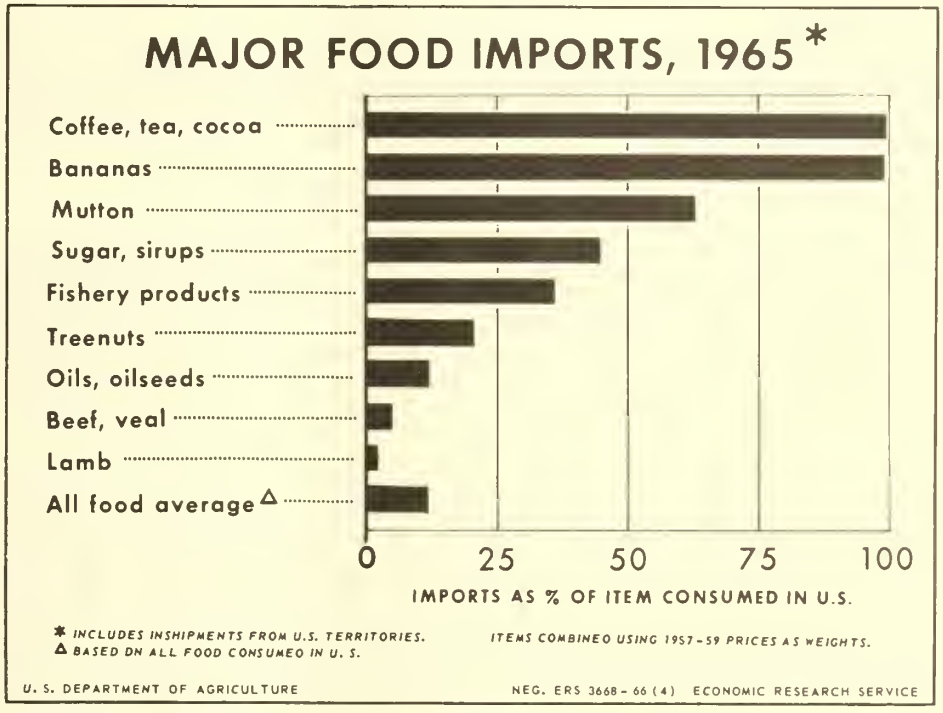
NATIONAL FOOD SITUATION

NFS-116 For Release May 13, P. M. MAY 1966

About 11 percent of the total food used by U. S. civilians in 1965 was supplied by imports, the same percentage as 10 years earlier. Over half of total food imports consisted of coffee, tea, cocoa, and other tropical commodities that are essentially noncompetitive with U. S. farm products. These included certain oils and oilseeds and some treenuts, such as cashew, that are not grown in volume in this country.

Only 3 percent of the total U. S. food use of animal products was imported in 1965, the same as a year earlier. Although a large part of mutton use was imported, only 2 percent of lamb use was imported. Imports of beef and veal dropped from 5 to 4 1/2 percent of total use from 1964 to 1965, but imports of pork increased from 2 to nearly 3 percent of total use.



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Importance of Imports as a Source of Food

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Table 1.--Volume of farm marketings and home consumption 1/

(Index numbers, 1957-59=100)

Item	1947-49 average	1959	1960	1961	1962	1963	1964	1965	1966 Indications 2/	1966 as a percentage of 1947-49	1966 as a percentage of 1965
Marketings and home consumption of all farm commodities	86	104	107	108	109	114	116	116	117	136	101
Food marketings and home consumption	87	103	104	107	107	111	114	115	115	132	100
Food marketings	82	103	105	109	109	113	117	118	118	144	100
Total food livestock 3/	79	103	104	108	110	114	118	118	118	149	100
Meat animals	81	103	105	108	110	116	121	119	120	148	101
Poultry and eggs	66	105	105	113	113	116	120	124	131	198	106
Dairy products	84	100	102	106	107	107	109	109	107	127	98
Total food crops 4/	98	105	108	110	107	110	113	117	118	120	101
Food grains 5/	102	106	117	114	102	111	119	121	123	121	102
Vegetables 6/	91	103	104	109	110	110	106	112	110	121	98
Fruit and nuts 7/	92	106	99	103	107	101	103	110	112	122	102
Sugar crops	78	105	105	115	117	152	154	148	153	196	103
Home consumption	161	94	87	81	75	73	67	63	61	38	97
Livestock	159	93	82	75	73	69	64	60	58	36	97
Crops	168	97	98	94	80	83	75	71	69	41	97
Nonfood marketings 8/	82	109	114	110	116	125	123	120	124	151	103

1/ Quantities of farm products weighted by average 1957-59 farm prices since 1955, 1947-49 prices in earlier years. Excludes Alaska and Hawaii. 2/ Indications for 1966 are based on calendar-year quantities estimated as of April 1, 1966. 3/ Includes honey. 4/ In addition to the crops listed below, includes peanuts, peppermint, popcorn, and spearmint. 5/ Wheat, rye, rice, and buckwheat. 6/ Truck crops for fresh use and processing, potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans, and melons 1955 to date. 7/ Except peanuts and, beginning 1955, melons. 8/ There are no nonfood items in the home consumption index.

Table 2.--Food consumption per capita 1/

(Index, 1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy, excluding butter	Fats and oils, including butter	Fruits 2/ Fresh	Fruits 2/ Processed	Fruits 2/ Total	Vegetables 3/ Fresh	Vegetables 3/ Processed	Vegetables 3/ Total	Potatoes and sweetpotatoes	Cereal products	Sugar and sweeteners	Coffee, tea, and cocoa	All food Animal products	All food Crops 4/	All food Total
1910	96	49	107	82	70	101	148	14	80	114	24	85	208	149	54	65	87.2	87.0	86.9
1920	90	45	113	81	80	91	154	31	92	119	30	90	163	129	63	79	85.4	87.7	86.2
1930	85	52	97	89	83	113	145	35	89	126	47	100	138	131	85	81	86.3	95.7	89.9
1940	93	52	102	86	87	115	153	57	105	130	57	107	127	120	86	101	91.0	100.7	94.8
1941	94	56	108	84	90	116	161	53	107	129	61	107	134	121	94	104	92.3	103.6	96.7
1942	93	63	84	84	96	112	137	52	94	134	67	112	136	122	83	86	93.5	99.2	95.6
1943	98	78	75	92	96	97	122	45	84	139	61	114	137	135	77	81	96.2	98.7	97.0
1944	103	70	84	94	98	96	146	45	95	147	61	119	145	124	84	96	98.4	103.0	100.1
1945	97	76	94	107	104	91	144	57	101	150	74	126	129	130	69	100	99.4	104.0	101.0
1946	102	70	101	101	110	91	144	78	111	139	83	121	128	128	74	122	101.6	106.6	103.5
1947	102	64	96	104	104	97	149	67	108	127	76	111	126	115	94	108	100.0	103.8	101.4
1948	95	63	101	106	100	95	138	69	104	125	72	108	105	114	89	112	96.0	101.7	98.1
1949	95	67	102	105	99	98	135	73	104	118	75	104	109	113	91	115	96.1	101.5	98.1
1950	95	73	111	108	99	104	120	79	100	114	81	104	105	112	101	103	97.6	102.5	99.4
1951	90	77	106	109	99	94	125	78	102	111	84	103	105	115	94	105	95.8	100.8	97.6
1952	95	80	105	109	100	97	120	88	104	108	88	103	95	113	98	105	98.1	102.1	99.5
1953	102	79	103	106	99	98	113	90	102	106	91	102	100	110	97	107	100.0	101.6	100.5
1954	101	84	104	105	100	102	108	91	101	104	90	100	100	108	99	95	100.2	100.9	100.4
1955	106	79	97	104	101	103	102	98	100	104	96	102	101	102	100	96	101.7	100.4	101.1
1956	108	88	98	103	102	101	103	100	102	103	98	102	97	101	101	101	103.6	100.6	102.3
1957	102	94	97	102	101	99	101	103	102	102	98	101	98	99	98	100	100.6	99.6	100.2
1958	97	101	98	99	100	100	98	97	97	99	101	100	97	101	101	98	98.5	99.4	98.9
1959	101	105	105	99	100	101	101	100	101	98	101	99	105	100	101	102	100.9	101.0	101.0
1960 5/	102	102	102	94	99	99	98	104	101	100	102	100	109	99	102	101	99.9	101.6	100.7
1961 5/	101	112	102	91	97	99	95	102	98	99	102	100	110	98	102	102	99.6	101.1	100.3
1962 5/	102	110	102	91	97	99	90	106	98	96	107	99	114	97	103	104	99.9	101.1	100.4
1963 5/	105	112	101	89	98	100	82	97	89	96	107	99	119	97	102	106	101.2	100.8	101.1
1964 5/	108	115	99	88	98	103	88	91	89	95	109	99	122	98	103	103	102.8	101.2	102.1
1965 5/ 6/	104	122	104	87	97	103	88	100	93	95	109	99	120	98	104	100	100.8	101.8	101.3
1966 5/ 7/	103	129	103	86	97	101	90	104	96	95	109	99	127	99	104	101	100.5	103.0	101.6

1/ Civilian consumption, beginning 1941. Individual food items are combined in terms of 1947-49 retail prices through 1954, 1957-59 retail prices thereafter; indexes are linked at 1955. 2/ Excluding melons and baby food. 3/ Excluding soups, baby food, dry beans and peas, potatoes, and sweetpotatoes. 4/ Including melons, dry beans and peas, nuts, soups, and baby food in addition to groups shown separately. 5/ Incorporates data for Alaska and Hawaii. 6/ Preliminary. 7/ Preliminary indication.

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, May 5, 1966

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SUMMARY

Food expenditures in first quarter 1966 were up 11 percent from a year earlier to $91 billion, seasonally adjusted annual rate. Sales by retail food stores were up 10 percent and sales by eating and drinking places were up 13 percent. Food expenditures in 1965 totaled $85 billion. Food expenditures are expected to continue above a year earlier and the increase for the year may equal or slightly exceed the increase of 6½ percent between 1964 and 1965.

Consumer disposable income in first quarter 1966 totaled $489 billion, annual rate, up 8 percent from a year earlier. The gain over fourth quarter 1965 in consumer disposable income amounted to $8.4 billion. Food expenditures accounted for $2.5 billion or 30 percent of this gain. As a result, the percentage of income spent for food increased from 18.3 percent to 18.6 percent. For all of 1966, however, the percentage of income spent for food is not expected to differ much from the 18.3 percent spent for food in 1965; incomes are expected to increase about as much or more than food expenditures.

About half of the food expenditure gain in first quarter 1966 apparently was due to rising food prices; prices averaged 6 percent above first quarter 1965. Prices for livestock products, led by an increase of 18 percent for red meat and 8 percent for poultry, accounted for most of the price increase since first quarter 1965. Prices of foods from crops averaged nearly the same as a year earlier; decreases for citrus fruit, potatoes, and coffee nearly offset increases for fresh vegetables, dairy products, fats and oils, and cereal and bakery products. Retail food prices are expected to level off this spring and, by the end of the year, average below current levels.

Wholesale prices and prices received by farmers usually vary more than retail food prices. Wholesale prices of all foods in first quarter 1966 were up 9 percent from a year earlier and prices received by farmers for food products

were up 18 percent. However, compared with the average for 1950, first quarter 1966 retail food prices were up 31 percent and wholesale prices of all foods were up 19 percent. But, prices received by farmers for food commodities were up 10 percent and for all commodities up only 4 percent.

The quantity of food consumed per capita this year is not expected to differ much from that in 1965 when per capita use was down about 1 percent from the 1964 level. Food production increases now are underway and substantial gains above year-earlier rates are in prospect by the closing months of this year. These increases are expected to offset reduced per capita supplies during the first quarter.

Due to a larger spring pig crop, per capita supplies of pork by the closing months of this year may run moderately above short year-earlier supplies. Per capita supplies of beef for the year are expected to increase slightly from the relatively high levels of 1965. First quarter poultry consumption was up around 5 percent per capita from a year earlier, and hatchery reports point to further gains this year. Egg production, too, will be increasing later this year, though per capita supplies for the year may average slightly below 1965. Per capita consumption of dairy products is running below 1965 and will decline again in 1966.

Among the crops, considerably larger per capita consumption is indicated this year for potatoes and citrus. Increases also are indicated for dry beans, particularly in the second half year, and for vegetable oils. Little change is now anticipated in per capita consumption of coffee, sugar, vegetables, and cereal products.

FOOD EXPENDITURES

First Quarter Expenditures Up Sharply

Expenditures for food increased considerably during first quarter 1966. Total expenditures were at $91 billion, seasonally adjusted annual rate, up 11 percent from first quarter 1965 and nearly 3 percent above fourth quarter 1965.

Total sales by food stores increased gradually over a year earlier as the first quarter progressed: January sales were up 6 percent, February, up 10 percent, and March, up 14 percent, for an average increase of 10 percent from a year earlier (fig. 1). Also, sales by eating and drinking places have shown progressively larger increases over a year earlier: January was up 9 percent, February, up 13 percent, and March, up 19 percent, an average rise of 13 percent for the quarter.

About half of the first quarter increase in food expenditures was due to the increase in food prices: Compared with a year earlier, January prices were up 5 percent, February up 6 percent, and March up 7 percent, for an average

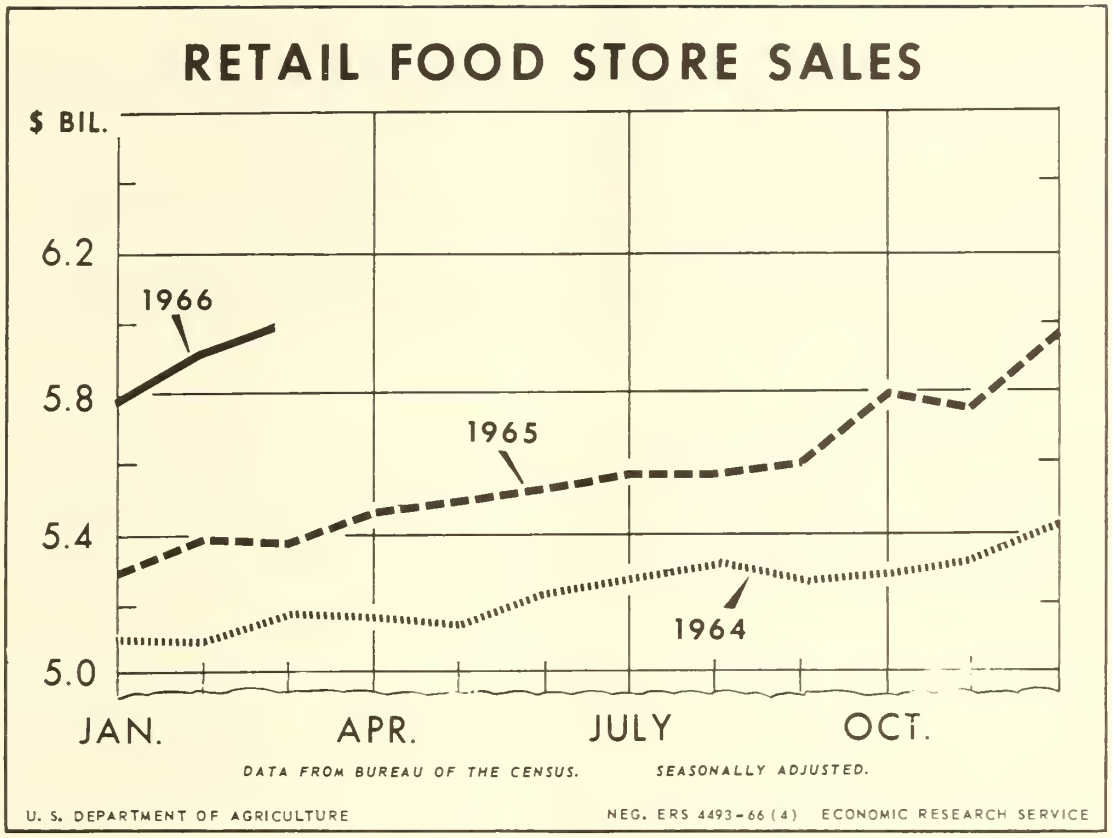

Figure 1

increase of 6 percent. Population increased a little more than 1 percent. The per capita food consumption rate probably was not much different from a year earlier (quarterly data not available for total food), although per capita meat supplies were down slightly. The remaining gain in food expenditures apparently was due to a shift in product mix toward higher-priced foods--those that are in more highly processed form or have more additional services sold with them. This conclusion is supported by the greater rise in sales by eating and drinking places than by food stores.

Consumer disposable income in first quarter 1966 totaled $489 billion, annual rate. This rate was nearly 2 percent above the previous quarter and more than 8 percent above the first quarter of 1965. The $2.5-billion gain in food expditures between fourth quarter 1965 and first quarter 1966 amounted to an unusually large proportion (30 percent) of the $8.4-billion total gain in disposable personal income. Since food expenditures in the first quarter were up by a greater percentage than income, the proportion of income spent for food increased slightly, from 18.3 to 18.6 percent.

Outlook For 1966

Food expenditures for 1966 are expected to increase $5 to $6 billion or 6 to 7 percent from the 1965 level of $85 billion. The increase compares with a rise of $5.2 billion or 6.5 percent from 1964 to 1965. Last year's increase was the largest annual rise since 1951.

Per capita food expenditures in 1966 likely will average somewhere around $460 to $465. Food expenditures last year averaged about $438 per capita, up from $416 in 1964. This average includes the value of home-produced food, food purchased and consumed away from home, and food purchased by the military and by certain institutions in addition to food bought from food stores and other establishments.

Food expenditures per capita vary considerably depending upon the size of family: Single individuals spend half again as much for food as the average for all persons; 4-person families spend slightly less per capita than the average; 6-or-more-person families spend about a third less than the average. The average-sized family of 2 or more persons (3.7 persons) spent approximately $1,566 for food in 1965, about $30 per week.

About 18.3 percent of disposable income was spent for food in 1965, the same as a year earlier. Earlier indications of a slight decline did not materialize when fourth quarter 1965 food expenditures were revised. For 1966, further income gains and the anticipated leveling of food expenditures near the first quarter level would result in little change in the percentage of income spent for food, despite the upturn in the first quarter.

RETAIL FOOD PRICES

Food Prices Up 6 Percent

Retail food prices in first quarter 1966 averaged 6 percent above first quarter 1965 and 2.5 percent above the previous quarter (table 3). The price increase reflected a 9-percent year-to-year increase in wholesale prices of all foods. 1/ Prices received by farmers for all commodities in first quarter 1966 averaged 13 percent higher than a year earlier, but prices for food products were up 18 percent. Most of the increase in farm product prices was due to price increases for meat animals and commercial vegetables.

Although farm and wholesale prices increased more over the past year than did retail food prices, retail prices increased the most since 1950. Comparisons of first quarter 1966 prices with the average for 1950 show retail food prices up 31 percent and wholesale prices for all food up 19 percent. However, prices received by farmers for food commodities were up 10 percent and for all commodities up only 4 percent.

Historically, prices received by farmers have fluctuated widely. Processing and distribution costs tend to be less variable than prices for raw farm commodities. As a result, retail prices, which cover both returns to farmers

1/ Wholesale price of total food includes all items in the index for processed foods plus eggs and fresh and dried fruits and vegetables from the farm product index.

Table 3.--Food and farm product prices, 1964-66

Item	1964	1965					1966 I	
		I	II	III	IV	Year	Index	Percent change, 1965 I
Retail food prices								
(Index, 1957-59=100):								
Food at home	104.7	104.9	106.8	108.8	108.2	107.2	111.4	6.2
Food away from home	115.2	116.3	117.0	118.2	119.6	117.8	120.8	3.9
All food	106.4	106.7	108.4	110.2	110.0	108.8	112.8	5.7
Wholesale Price Index								
(Index, 1957-59=100):								
Farm products	94.3	94.3	98.8	99.5	100.9	98.4	106.2	12.6
Processed foods	101.0	102.0	103.9	106.7	108.0	105.1	111.3	9.1
All food 1/	100.8	101.4	104.1	105.4	107.0	104.5	110.3	8.8
Prices Received by Farmers								
(Index, 1957-59=100):								
Crops	106	105	110	102	99	104	104	-1.0
Livestock and products	91	93	99	105	108	101	116	24.7
Total	98	98	104	104	104	102	111	13.3
Market Basket of U. S. Farm Foods								
(Index, 1957-59=100):								
Retail cost	103.2	103.2	105.7	108.0	107.2	106.1	111.0	7.6
Farm-retail spread	107.7	106.4	105.7	108.1	105.9	106.6	107.6	1.1
Farm value	96.4	98.7	105.7	108.0	109.3	105.4	116.2	17.7

1/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from farm product group.

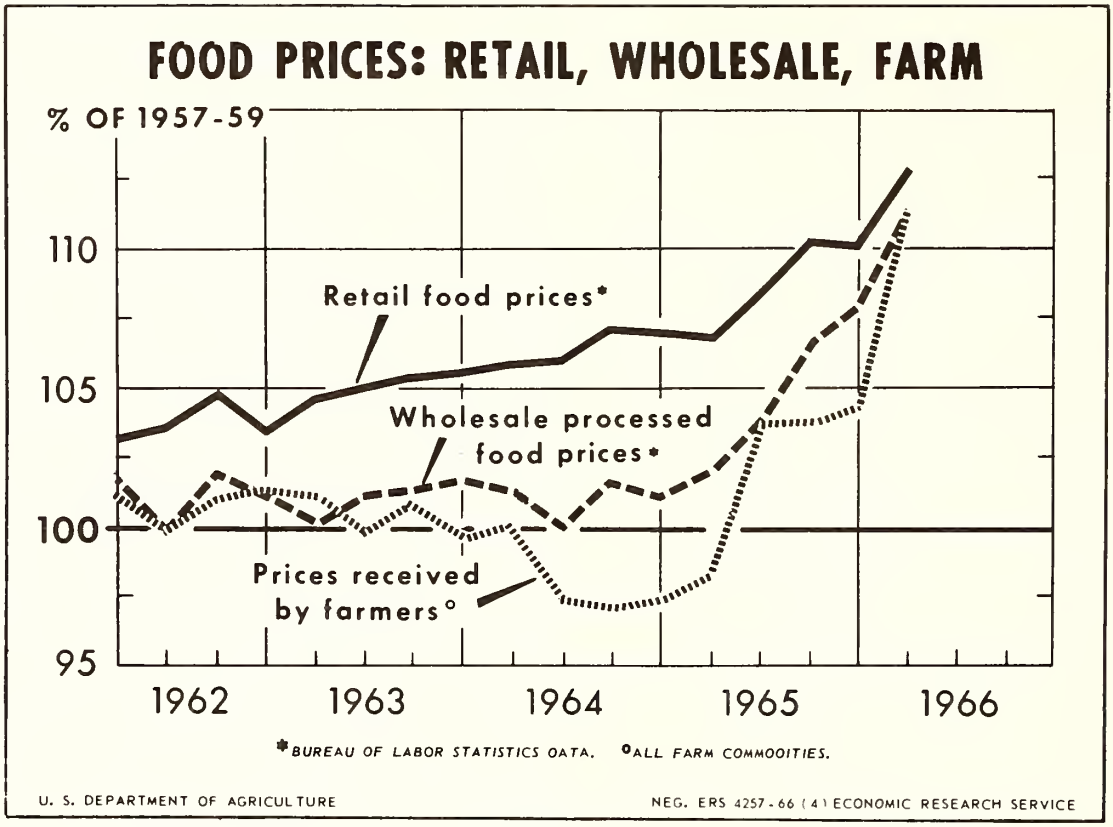

Figure 2

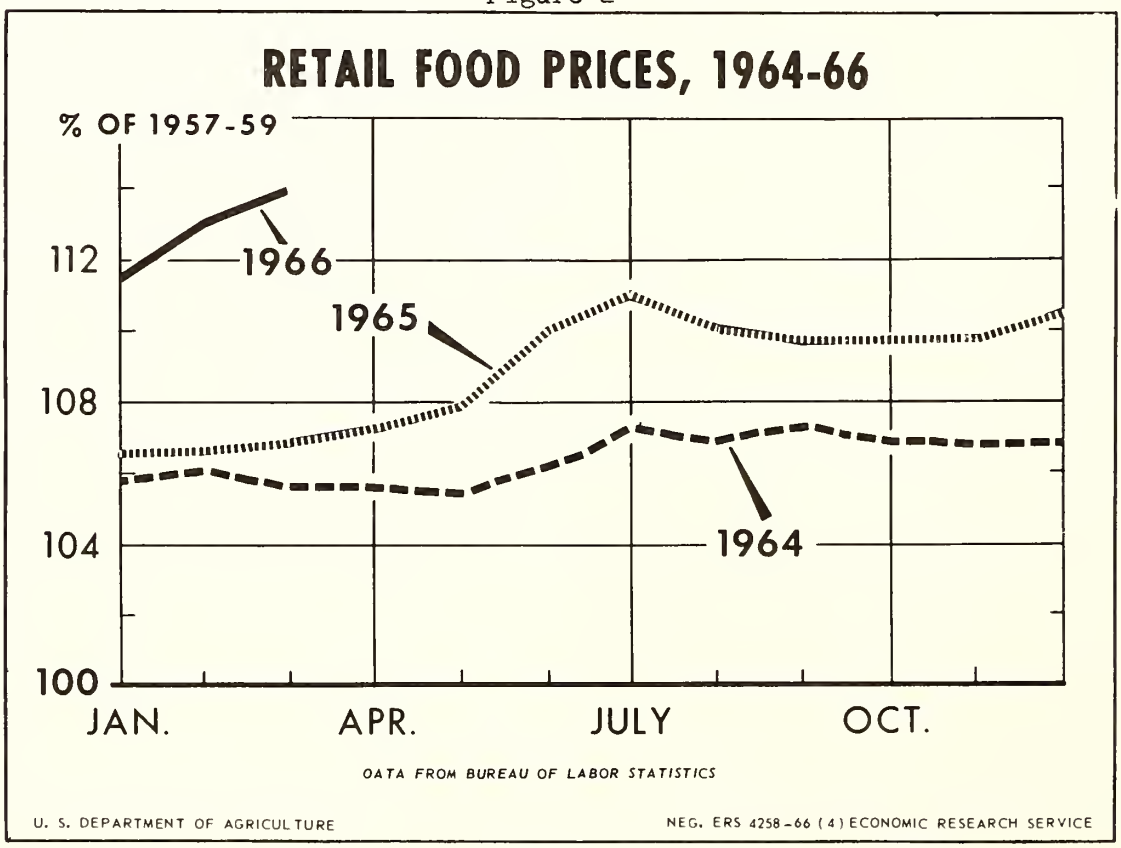

Figure 3

and payments for processing and distribution, tend to vary less than farm prices. Retail food prices did not rise nearly so rapidly as prices received by farmers during the past year (fig. 2). But, during 1964 prices received by farmers declined while retail prices trended slowly upward.

Prices Steady to Lower

Food price movements in 1965 and the outlook for 1966 may be quite similar to price changes in 1957 and 1958. Prices rose sharply during 1957 and through second quarter 1958. From second quarter to fourth quarter 1958, retail food prices declined 2 percent, wholesale prices of processed foods declined 3 percent, and wholesale prices of farm products declined 6 percent.

Food prices rose sharply from fourth quarter 1965 to first quarter 1966. March 1966 wholesale prices of farm products declined slightly from February but wholesale food prices and retail prices continued to advance. Prices received by farmers likely will be noticeably lower than the relatively high early-1966 levels by the end of the year, as a result of stepped-up food supplies now underway and in prospect; April prices dropped 2 percent from March, for example. This, in turn, is expected to result in reduced wholesale and retail prices for a number of major food products.

Little price decline is expected to be felt at retail until summer because wholesale price changes tend to lag those at retail and because of underlying seasonal strength in early summer for retail prices. In addition, farm-retail marketing spreads, which narrowed in 1965, are expected to widen slightly in 1966 as farm prices recede.

Retail food prices typically increase in June and reach a seasonal peak in July, according to the following seasonal retail price pattern based on a recent analysis of 1956-65 data by Bureau of Labor Statistics:

Seasonality in Retail Food Prices
(percent of annual average

	Monthly	Quarterly
January	99.8	
February	100.0	99.8
March	99.7	
April	99.7	
May	99.6	99.7
June	99.9	
July	101.0	
August	100.3	100.5
September	100.3	
October	100.0	
November	99.7	99.8
December	99.8	

In midsummer, total food supplies tend to be seasonally low and marketing costs seasonally high. 1/ Although prices tend to decline after July, the third quarter average typically is above the second quarter. In any given year, seasonal factors may be overridden by unusual supply and demand conditions. This year, for example, the major turn in supply conditions that appears to be underway may modify the effects of seasonal factors. 2/

The pattern of food prices this year is expected to contrast sharply with that in 1965: In 1965, prices were steady in early months but then rose generally throughout the rest of the year (fig. 3). In early 1966, prices advanced strongly but are expected to stabilize and decline later in the year. By fourth quarter 1966, retail food prices are expected to be only 2 or 3 percent above fourth quarter 1965 in contrast to the 6-percent increase comparing first quarter prices for the 2 years. Because of the relatively high level of prices in first quarter 1966, prices for the year as a whole are likely to average 3 to 4 percent above the 1965 average. This is somewhat greater than the annual rise from 1964 to 1965 (table 14).

Restaurant meal prices (food away from home) in first quarter 1966 were up 4 percent from first quarter 1965; in contrast, grocery store food prices (food at home) were up 6 percent. A longer lag normally occurs between changes in farm prices and restaurant meal prices than in farm prices and grocery store prices. Also, restaurant meal prices are less variable, since costs other than for food constitute a greater part of total costs. For these reasons, prices of restaurant meals are not expected to decline the remainder of the year. Prices for food away from home will tend to offset declines from current levels expected for prices of food purchased in grocery stores (food at home).

Animal Product Prices Up 12 Percent

Retail meat prices in first quarter 1966 averaged 18 percent above a year earlier as a result of sharply lower supplies and strong demand. Fishery product prices rose 3 percent, in line with the strong demand and higher prices for livestock products. The increase in animal product prices accounted for practically all of the 6-percent price increase for total food.

Pork prices were at record-high levels, up 36 percent from first quarter 1965. Hog prices declined during winter, but are expected to firm again later this spring and remain generally high until after midyear. Cold storage holdings are well below year-earlier levels so retail prices are expected to reflect seasonally-low supplies this summer. By the closing

1/ Gale, Hazen F., Seasonal Variation in Farm Food Prices and Price Spreads, Misc. Pub. No. 840, p. 12.

2/ Bureau of Labor Statistics began publishing seasonally adjusted retail prices for selected items beginning January 1966, in addition to the usual unadjusted prices. On a seasonally adjusted basis, retail food prices averaged 113.0 (1957-59=100) in first quarter 1966, up 0.2 percent from the unadjusted index of 112.8. Seasonally adjusted prices for 1965 were published in Monthly Labor Review, April 1966, p. 472.

months of the year, when slaughter supplies is expected to rise more than seasonally, both farm prices for hogs and retail prices for pork are expected to be below current and year-earlier levels.

Retail beef and veal prices in first quarter 1966 averaged 9 percent above first quarter 1965. Beef production exceeded year-earlier levels but not sufficiently to offset the decline in pork. This, together with the strong civilian and military demand, resulted in a continued strong market for beef. Beef prices may recede slightly in coming months when total meat supplies are expected to increase. Veal prices are not expected to decline before next fall since per capita supplies are lower again this year.

Poultry meat prices in first quarter 1966 averaged 8 percent above a year earlier despite much larger supplies. Price strength resulted from the reduced supply of red meat (mainly pork) and strong demand. Since poultry supplies are expected to continue well above year-earlier levels, poultry prices likely will weaken, perhaps sharply, as the total meat supply increases late in the year.

First quarter retail prices for Grade A large eggs averaged 61.3 cents per dozen, up 10.9 cents from a year earlier when prices were unusually low. Price strength in late 1965 and early this year was due to reduced production and increased demand by hatcheries and military forces and for exports. Egg prices this spring are declining seasonally; they are expected to drop below year-earlier levels in the second half in response to increasing production.

Dairy product prices showed unusual strength early this year in response to a decline in production. Retail prices averaged 2 percent above a year earlier during the first quarter. Prices in the second quarter typically decline as supplies increase seasonally, but prices increased in March rather than weakened as they usually do. Prices for butter, up 6 percent from a year earlier, and cheese, up 7 percent, were particularly strong since excess stocks had been depleted and production reduced in meeting demand for fluid products. Second quarter dealer buying prices in most fluid milk markets are about 1½ cents per half gallon above a year earlier. Beginning April 1, the U. S. Department of Agriculture increased support purchase prices 2 cents per pound for butter and nonfat dry milk and 3.2 cents per pound for Cheddar cheese. Prices for dairy products are expected to remain relatively strong throughout the year.

Crop Product Prices Steady

Retail prices for crop products in first quarter 1966 averaged about the same as a year earlier. Reduced prices for potatoes, fresh citrus, coffee, and chocolate about offset increases for fresh vegetables, fats and oils, processed fruits and vegetables, and cereal and bakery products.

Retail prices for fresh oranges and juice and frozen orange juice concentrate in the first quarter continued well below year-earlier levels because of the indicated 11-percent increase in orange production. Prices are

expected to continue at relatively low levels. However, prices of fresh products are expected to rise seasonally from first quarter rates and prices for frozen concentrate are increasing because of strong demand and lower production than previously anticipated.

Prices for processed fruits, such as canned pears, peaches, and fruit cocktail, in first quarter 1966 averaged much above a year earlier because of the reduced noncitrus pack last fall. Remaining stocks of important canned noncitrus items appear to be considerably below year-earlier levels, except for apple products and fruit cocktail which are substantially larger. Prices for the remainder of this season are expected to continue moderately higher than last year for most of these products.

Retail potato prices averaged more than a fourth below a year earlier during first quarter 1966, though prices by March were up seasonally from last fall. The March U. S. average price for fresh potatoes was 69 cents per 10 pounds, a little above average due to light storage stocks in Eastern producing areas.

Fresh vegetable prices this winter averaged well above a year earlier because adverse weather curtailed supplies. Prices this spring are expected to drop below first quarter and year-earlier levels when they were unusually high for many fresh items. Tomatoes, lettuce, celery, and sweet corn are among the fresh vegetables expected to be priced lower this spring. Reduced supplies resulted in somewhat higher prices this winter than a year earlier for canned vegetables and dry edible beans. Larger prospective plantings, however, point to increased supplies and reduced prices in late summer after new pack supplies reach the market.

Prices for fats and oils were 2 percent higher during first quarter 1966 than a year earlier. Prices for salad and cooking oils were particularly strong, but prices also advanced for margarine, shortening, and salad dressings. Strong demand is expected to hold average prices near current levels the balance of the year. No repeat of 1965's large, 8-percent average price increase over 1964 is anticipated.

Retail prices for cereal and bakery products also averaged 2 percent above a year earlier during first quarter 1966. Most of the increase was for bakery products: White bread prices averaged 3 percent higher and whole wheat bread averaged 4 percent higher. Prices probably will continue to creep upward the balance of the year, about in line with long-term trends.

Price Changes Among Cities

Retail food prices increased an average of 2.3 percent from 1964 to 1965, but increases were much greater in some cities than others (table 4). 1/ Kansas City and St. Louis experienced price increases of almost 4 percent but in New York, prices gained only a little over 1 percent. Price increases of less than 2.0 percent also were recorded last year in Seattle, Cincinnati, and Philadelphia.

1/ The U. S. average included data from urban portions of 33 Standard Metropolitan Statistical Areas and 17 smaller cities in 1964 and 1965. Beginning January 1966, 6 additional urban areas were added. This analysis covered data from 22 of the total 56 cities.

Table 4.--Percentage changes in retail food prices, United States and selected cities, 1964 to 1965 1/

Cities	Food away from home	Food at home						Total food
		Total	Cereal and bakery products	Meat, poultry, and fish	Dairy products	Fruits and vegetables	Other foods at home	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
U. S. City Average	2.3	2.4	1.5	6.6	0.3	-0.1	0.2	2.3
Atlanta	2.3	2.6	1.3	6.3	2.5	-.1	.8	2.5
Baltimore	3.0	2.5	-.6	8.0	1.8	1.1	-1.9	2.5
Boston	1.5	2.7	2.0	6.6	.8	-.2	.8	2.5
Buffalo	3.3	2.4	2.0	6.5	.1	-.4	.5	2.6
Chicago	2.0	2.7	1.6	6.4	.4	.5	.8	2.5
Cincinnati 2/	1.7	1.7	.6	7.0	-.1	-1.0	-1.4	1.6
Cleveland	2.7	2.7	.1	7.0	2.0	1.0	-.1	2.6
Dallas	2.7	3.6	3.0	8.2	1.0	1.5	1.0	3.4
Detroit	3.6	2.9	2.6	8.8	-.4	-.9	-.7	3.0
Honolulu	2.3	2.9	1.0	4.1	0	6.8	-.1	2.7
Houston 2/	1.6	3.8	4.2	6.9	-.5	4.0	1.6	3.3
Kansas City 2/	3.0	3.9	2.2	8.1	4.2	1.5	1.4	3.8
Los Angeles-Long Beach	3.5	1.8	2.3	4.9	.8	.8	-.8	2.3
Milwaukee 2/	1.4	2.9	1.7	6.9	.7	1.0	1.3	2.6
Minneapolis-St. Paul 2/	1.2	2.7	2.4	6.4	.3	1.2	1.6	2.4
New York	2.0	1.0	.4	5.2	-1.5	-3.5	-.2	1.3
Philadelphia	1.5	2.1	2.5	5.4	2.4	-.6	-1.3	1.9
Pittsburgh	2.2	2.7	2.4	8.2	.4	-1.1	-.2	2.6
St. Louis	1.8	4.0	1.7	8.1	3.2	3.1	.9	3.6
San Francisco-Oakland	4.0	2.0	-.3	5.9	-.2	1.2	-.8	2.3
Seattle	.9	1.6	-2.0	4.4	1.8	.8	.6	1.5
Washington	2.7	2.0	1.1	7.3	1.5	-1.4	-1.5	2.3

1/ Area coverage includes the urban portion of the corresponding Standard Metropolitan Statistical Area (SMSA) except for New York and Chicago where the more extensive Standard Consolidated Areas are used. Area definitions are those established for the 1960 census and do not include revisions made since 1960.

2/ Not included in U. S. average.

Bureau of Labor Statistics.

Among major foods, the meat, poultry, and fish group showed the largest price increase with an average increase of 6.6 percent from 1964 to 1965. It was the only major food group for which each city showed an increase. Price increases for the meat group ranged from a low of 4 percent in Honolulu and Seattle to a high of 9 percent in Detroit. In Honolulu, however, the meat price increase was not so great as for fruits and vegetables. The 7-percent increase for fruits and vegetables in Honolulu was the largest increase for any city. In fact, prices for fruits and vegetables declined 3½ percent in New York. The U. S. average price was about the same as a year earlier.

The U. S. average price for dairy products increased only 0.3 percent, but prices ranged from an increase of 4 percent in Kansas City to a decline of 1⅓ percent in New York. Cereal and bakery products also increased in some cities and decreased in others, although prices were up 1½ percent on balance. They ranged from a 4-percent increase in Houston to a 2-percent decline in Seattle.

Last year's retail food price changes among cities were not entirely consistent with price changes in other recent years. But, comparing the 1957-59 average with March, 1966, prices increased the most--17 percent--in St. Louis and Kansas City. The smallest price increases since 1957-59 were also recorded in interior cities; prices increased 10 percent in Cleveland and 11 percent in Cincinnati and Detroit. On the coasts, prices increased 13 percent in Los Angeles-Long Beach and 15 percent in San Francisco-Oakland and New York. The U. S. average increase since 1957-59 was 14 percent so the range among cities was relatively small.

FOOD CONSUMPTION PER CAPITA

Per capita food consumption this year is expected to remain about steady with 1965, or perhaps edge up slightly (table 2 and fig. 4). 1/ This stability contrasts with a rather significant decrease of 1 percent in 1965. Consumption of animal products is expected to total close to the 1965 level, following a 2-percent drop last year; a decline in the first half year is expected to be about counterbalanced by a gain in the second half. Consumption of crop products is expected to increase this year, as it has for the past 2 years.

These changes, although small in percentage terms, are significant when compared with the 1½ percent total increase in per capita food consumption since 1957-59 and 7 percent increase since 1940. Relatively small changes in food consumption normally are inversely associated with relatively large changes in retail food prices.

Livestock Product Supplies Turning Upward

Meat consumption per capita this year is expected to total slightly below the 167 pounds (carcass weight) consumed in 1965 even though production rates later in the year will be above 1965 (table 5). This moderate change contrasts with an 8-pound drop in per capita meat consumption a year earlier. A small increase is expected this year in per capita consumption of beef, in contrast

1/ Value of foods using constant prices (retail prices in 1957-59).

Table 5.--Civilian per capita consumption of major food commodities, primary distribution weight, and civilian population, selected periods, 1947-66 1/

Commodity	Average 1947-49	Average 1957-59	1963	1964	1965 Prelim-inary	Preliminary: indications: for 1966	1966 as a percentage of 1947-49	1957-59	1965
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent	Percent	Percent
Meats (carcass weight) - Total	148.5	156.6	169.5	174.5	166.9	165.1	111	105	99
Beef	65.6	82.1	94.3	99.7	99.3	100.0	152	122	101
Veal	9.7	7.1	4.9	5.2	5.2	4.8	49	68	92
Lamb and mutton	4.8	4.4	4.9	4.2	3.7	3.5	73	80	95
Pork (excluding lard)	68.4	63.0	65.4	65.4	58.7	56.8	83	90	97
Fish (edible weight) - Total	10.7	10.5	10.7	10.5	11.0	10.9	102	104	99
Fresh and frozen	5.9	5.7	5.8	5.9	6.1	2/	---	---	---
Canned 3/	4.2	4.2	4.4	4.1	4.4	2/	---	---	---
Cured	.6	.6	.5	.5	.5	2/	---	---	---
Poultry products									
Eggs (farm basis) - Number	385	356	316	313	308	306	79	86	99
Chicken (ready-to-cook)	18.7	27.5	30.8	31.2	33.3	35.6	190	129	107
Turkey (ready-to-cook)	3.3	6.0	6.7	7.2	7.4	7.8	236	130	105
Dairy products									
Total milk fat solids	29.5	25.6	23.3	23.3	22.9	22.4	76	88	98
Total nonfat milk solids	42.9	43.8	41.6	41.7	41.1	40.8	95	93	99
Cheese	7.0	7.9	9.2	9.5	9.4	9.6	137	122	102
Condensed and evaporated milk	20.1	14.8	11.6	11.3	10.8	10.3	51	70	95
Fluid milk and cream	359	335	307	305	302	300	84	90	99
Ice cream (product weight)	18.7	18.4	18.0	18.2	18.4	18.6	99	101	101
Fats and oils - Total, fat content 4/	42.4	45.3	46.3	47.5	47.6	47.3	112	104	99
Butter (actual weight)	10.6	8.2	6.8	6.8	6.5	5.9	56	72	91
Margarine (actual weight)	5.6	8.9	9.6	9.7	9.9	10.3	184	116	104
Lard	12.4	9.3	6.4	6.3	6.4	5.9	48	63	92
Shortening	9.6	11.4	13.5	13.7	13.9	14.5	151	127	104
Other edible fats and oils	7.3	10.8	13.1	14.1	14.2	13.9	190	129	98
Fruits									
Fresh (farm weight) - Total	132.8	95.7	76.1	81.8	83.0	85.3	64	89	103
Citrus	54.8	33.5	22.1	26.1	28.9	30.8	56	92	107
Apples (commercial)	25.5	21.6	18.4	20.1	19.0	19.2	75	89	101
Other (excluding melons)	52.5	40.6	35.6	35.6	35.1	35.3	67	87	101
Processed:									
Canned fruit	18.9	22.5	23.1	23.3	23.3	23.4	124	104	100
Canned juice	15.9	13.8	14.4	11.4	12.5	13.4	84	97	107
Frozen (including juices)	3.2	8.6	8.0	7.4	8.5	9.0	281	105	106
Dried	3.9	3.3	3.0	2.9	3.1	3.1	79	94	100
Vegetables									
Fresh 5/	120.5	104.3	103.2	100.8	101.0	100.6	83	96	100
Canned, excluding potatoes and sweetpotatoes	38.5	43.0	45.0	44.5	45.5	44.5	116	103	98
Frozen, excluding potatoes	2.8	6.6	7.4	8.0	7.7	8.3	296	126	108
Potatoes and sweetpotatoes									
Potatoes, fresh equivalent 6/	113.8	106.8	112.1	110.3	102.6	110.1	97	103	107
Frozen potatoes, product weight	7/	1.6	4.5	5.8	5.7	6.6	---	412	116
Sweetpotatoes, fresh equivalent 6/	13.0	8.3	7.4	6.8	7.3	7.3	56	88	100
Dry edible beans	6.7	7.7	7.7	7.6	6.8	7.3	109	95	107
Melons	27.4	25.1	24.7	23.2	23.8	23.7	86	94	100
Sugar (refined)	95.2	96.1	96.6	96.5	96.5	96.5	101	100	100
Grains									
Corn products: Cornmeal and other 8/	19.0	14.3	13.5	13.4	13.3	13.3	70	93	100
Corn sirup and sugar	14.1	13.0	16.8	18.0	18.1	18.3	130	141	101
Oat food products	3.3	3.5	3.5	3.5	3.5	3.5	106	100	100
Barley food products 9/	1.6	1.0	1.0	1.0	1.0	1.0	62	100	100
Wheat: Flour 10/	137	120	116	116	116	116	85	97	100
Breakfast cereals	3.2	2.8	2.6	2.6	2.6	2.6	81	93	100
Rye flour	1.4	1.2	1.1	1.1	1.1	1.1	79	92	100
Rice, milled	4.9	5.4	6.6	7.0	7.6	7.6	155	141	100
Other									
Coffee (green beans)	18.2	15.7	15.7	15.4	14.9	14.9	82	95	100
Tea	.58	.60	.67	.69	.69	.70	121	117	101
Cocoa beans	4.0	3.5	3.9	3.9	4.0	4.1	102	117	102
Peanuts (shelled)	4.4	4.6	5.0	5.1	5.3	2/	---	---	---
	Million	Million	Million	Million	Million	Million			
Civilian population 11/	145.1	171.5	186.7	189.4	191.9	193.8	134	113	101.0

1/ Quantity in pounds except for eggs which are stated in number. Data on calendar year basis except for dried fruits, which are on pack year basis, fresh citrus fruits and peanuts on a crop year basis, and rice on August 1 year. All years begin in the year indicated except for fresh citrus, which begins in October of the previous year, and rice, which begins in August of previous year. 2/ Not available. 3/ Excludes canned food products containing small quantities of fish, such as clam chowder. 4/ Computed from unrounded data. 5/ Covers total commercial production for sale as fresh, both for shipment to distant markets and for local markets. Excludes farm garden output for farm household use. 6/ Includes quantities canned and frozen. 7/ Less than 0.05 pound. 8/ Includes cornstarch, breakfast cereals, and hominy. 9/ Barley used for food products in terms of malt equivalent. 10/ Includes white, whole wheat, and semolina flour. 11/ Census estimates of July 1 civilian population (50 States beginning 1960). Used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

Table 6.--Civilian per capita consumption of meat and poultry, by quarters, 1964-65

Commodity	1964					1965				
	I	II	III	IV	Annual total	I	II	III	IV	Annual total
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Meat (carcass weight)	42.9	43.3	42.9	45.4	174.5	42.5	40.7	41.6	42.1	166.9
Beef	23.9	25.5	25.2	25.1	99.7	24.6	23.9	25.5	25.3	99.3
Veal	1.2	1.2	1.4	1.4	5.2	1.3	1.2	1.3	1.4	5.2
Lamb & mutton	1.2	1.0	1.0	1.0	4.2	.9	.9	1.0	.9	3.7
Pork	16.6	15.6	15.3	17.9	65.4	15.7	14.7	13.8	14.5	58.7
Poultry (ready-to-cook)	7.1	8.3	9.1	10.3	38.4	7.3	8.4	9.9	11.2	40.7
Broilers	6.4	7.4	7.3	6.4	27.5	6.6	7.6	8.1	7.1	29.4
Turkey	.7	.9	1.8	3.9	7.2	.7	.8	1.8	4.1	7.4
Farm chickens 1/	---	---	---	---	3.7	---	---	---	---	3.9
Total 1/	50.0	51.6	52.0	55.7	212.9	49.8	49.1	51.5	53.3	207.6

1/ Data are not available for farm chickens by quarters.

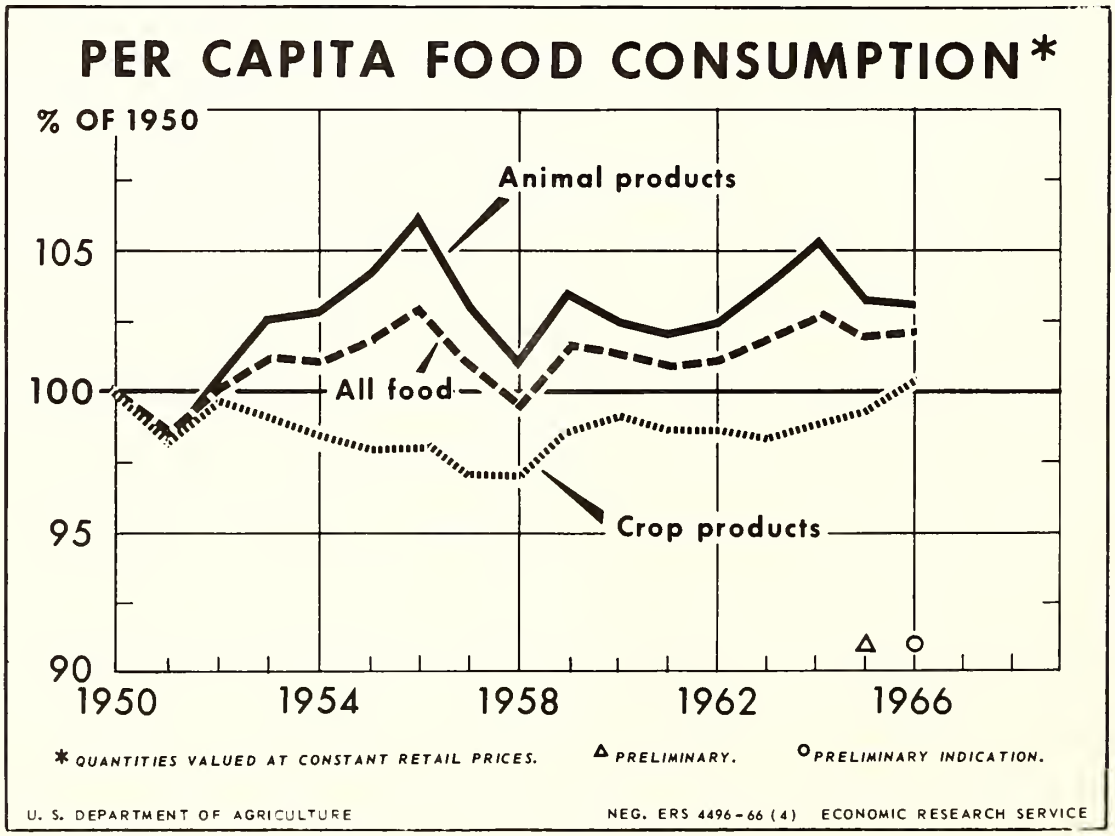

Figure 4

to a half pound drop in 1965. Although pork consumption will increase later this year, the total for the year may be a little below 1965, in contrast to last year's sharp drop. Veal and lamb consumption per capita are expected to decline slightly.

The quarterly trend in meat consumption this year is expected to be about opposite the pattern in 1965 (table 6). Instead of dropping below year-earlier rates each quarter, as in 1965, consumption this year likely will rebound.

Poultry meat consumption rose sharply during the second half of 1965 and helped offset the decline in red meat consumption. This trend also is expected to continue in 1966. Slaughter so far this year has been running 9 percent ahead of a year earlier and hatchery activity suggests that broiler output will be about a tenth above a year earlier during the second quarter. Poultry meat consumption in 1966 is expected to increase 2 to 3 pounds per capita from 1965--slightly more of an increase than a year earlier--even though prices are running above a year earlier.

Consumption of fishery products last year increased about a half pound per capita, a rather large increase for fish. Tuna fish consumption reached a new high level and salmon consumption also increased significantly. The increase of about 5 percent in fish consumption took place at a time when prices were increasing. This increase is further evidence of the shifts in demand among foods that develop when an important food is in relatively short supply and strong demand. The drop in pork output in 1965 clearly affected prices and consumption of all major meat, poultry, and fishery products.

Per capita civilian supplies of eggs in January-March, 1966, were down 4 to 5 percent from a year earlier. Production was down about 2 percent; the rest of the decline was due to population growth and increased use by hatcheries, the military, and exporters. Production is expected to rise from this level later in the year so egg consumption per capita for the year may be down only slightly compared with the $1\frac{1}{2}$ percent decline last year.

Total milk production in 1965 declined about $1\frac{1}{2}$ percent from 1964, but in first quarter 1966, production dropped to 5 percent below a year earlier. Production rates are expected to increase over year-earlier levels later in the year. Per capita consumption of total dairy products is expected to follow trends of recent years and decline only slightly for the year. Declines are expected to be greatest for butter and condensed and evaporated milk. USDA donations of butter and cheese have been sharply curtailed. However, the decline in cheese donations likely will be more than offset by increased commercial consumption.

Use of Foods From Crops Up

Total use of fats and oils in 1966 is expected to be about equal to the $47\frac{1}{2}$ pounds per capita in 1965. The declines expected in animal fats, mainly butter and lard, are expected to be about offset by increases in consumption of vegetable oils, mostly margarine and shortening.

Noncitrus fruit production declined last year, resulting in a much reduced pack of canned fruit. However, citrus fruit production was up substantially. Total processed fruit consumption per capita was up about 6 percent in 1965 but fresh fruit consumption increased only slightly. The 1965 increase in consumption of processed fruit restored consumption to the 1957-59 average, below which it had fallen when citrus production was curtailed in 1963. Some further gain is expected in fruit consumption this year; increases are expected both for fresh and processed items and both for citrus and noncitrus fruits.

Fresh vegetable supplies were reduced from year-earlier levels during winter months because of adverse weather. However, harvests are increasing more than seasonally in the second quarter, so relatively large supplies are in prospect through June. Particularly large increases are indicated for tomatoes, lettuce, celery, and sweet corn. For the year, per capita use of fresh vegetables is expected to total about the same as in 1965.

Large stocks and strong demand are resulting in increased consumption of frozen vegetables this winter and spring. But, stocks of canned vegetables are below year-earlier levels, so total use in first half 1966 is likely to be down from 1965. Prospective plantings of important vegetables for processing indicate that output this year will be larger than a year earlier. Consequently, the pack of canned vegetables this fall likely will exceed that in 1965.

Supplies of potatoes are expected to be much larger this year than last, and total consumption will be well above the low level in 1965. Per person use of fresh potatoes likely will be up materially from last year--when consumption was curtailed because of tight supplies early in 1965. The general uptrend in frozen potato consumption likely will be maintained. Supplies of sweetpotatoes will be seasonally light during the next few months. Reports of farmers' planting intentions indicate that 1966 sweetpotato production may be smaller than in 1965.

Because of reduced output in 1965, dry bean supplies are tight and prices relatively high. Early reports indicate that acreage will probably be up this year. Consequently, production may be record-large and prices relatively low this fall. Reduced consumption in early months of the year may be offset by increases this fall.

Per capita consumption of coffee in 1965 declined to 14.9 pounds, green bean equivalent, down a half pound from a year earlier. Consumption of instant coffee remained the same; all of the decline was for the regular coffee. Though coffee consumption has trended downward in recent years, increased imports and weakening prices this year suggest that little change is likely from the reduced level of 1965.

Little change is expected in per capita consumption of sugar and other sweeteners and cereal and bakery products. Sugar consumption has declined slightly in recent years but remains about 96½ pounds per capita. Wheat flour consumption, in all uses except breakfast cereals, has declined historically but in recent years has tended to level out at 116 pounds per capita.

SUPPLY-UTILIZATION OF FARM COMMODITIES

Outlook for 1966

Total net use of farm commodities this year is expected to increase, possibly by about 2 percent over 1965 (table 7 A). Most of the increase is expected to occur among crop products; total use of livestock products is expected to increase only slightly (tables 8 A and 9 A). The increase in total use is expected to be somewhat greater than the increase in civilian food use. Per capita food consumption is expected to remain at about the same level as in 1965, but increases in exports and military food use each are expected to increase more than population this year. Export gains are expected to center on crop products; exports of total livestock products probably will decline significantly this year. The total new supply of all commodities (imports plus production) is not expected to change much from 1965. As a result, exports and the gain in domestic use may be large enough to reduce December 31 carryover stocks to the lowest level since 1960.

Recent Trends

Imports are a more important source of total supply for crop than for livestock products. Imports have provided only 2 to 5 percent of the total annual use of livestock products since 1950 but have provided 12 to 15 percent of total use for crop products, which include coffee, bananas, and other tropical products (tables 8 B and 9 B). (See special article, "The Importance of Imports as a Source of Food," page 37.

Only a little more than a third of the total annual use of crop products is typically used for direct food use (table 9 B). Approximately another third is used for feed and seed, and the balance is split between other nonfood uses and exports. These other nonfood uses consist primarily of cotton and tobacco but they also include industrial uses of food products, oils and grains for example. The importance of these nonfood uses has diminished since 1950. Exports, however, have taken a growing share of the total use of crop products since 1950. In 1965, exports took 18 percent of the total, up from 11 percent in 1950, and this year the share again is expected to increase.

For livestock products, both imports and exports are small relative to total supply and use in contrast to crop products (table 8 B). However, both imports and exports have tended to increase as a proportion of total supply since 1950. Nevertheless, domestic production continues to provide around 95 percent of the total use of livestock products and domestic food use (including military) continues to account for around 90 percent of the total annual use of livestock products. Total domestic nonfood use of livestock products--which includes wool, inedible tallow, hides, eggs for hatching, and milk fed to calves--has declined from around 10 percent of total use in 1950 to 6 percent in 1965.

Table 7.--Supply-utilization of total farm commodities: Indexes by component and relationship of components to total annual net utilization, 1950-66 1/

Year	Supply			Utilization					
	Net production 2/	Net imports 3/	Stocks 4/	Total annual net utilization	Domestic use				Exports and shipments 7/
					Food		Net nonfood 6/	Total	
					Civilian	Military 5/			
	A.--Index, 1957-59=100 8/								
1950	84.4	93.0	77.8	87.3	86.4	108.1	113.2	90.1	66.0
1951	84.9	89.8	77.1	89.8	85.9	214.4	109.5	90.9	81.3
1952	90.3	89.2	72.5	89.0	88.9	160.2	102.0	91.6	69.3
1953	92.6	92.8	77.8	90.0	91.3	149.2	104.2	93.8	61.3
1954	94.0	82.7	85.0	90.7	92.7	125.2	96.1	93.6	69.0
1955	97.6	89.5	91.2	94.7	96.3	111.0	102.7	97.3	75.2
1956	99.9	93.1	97.2	100.1	99.3	112.4	105.3	100.3	98.5
1957	97.9	92.7	98.6	100.1	98.9	101.6	97.9	98.8	110.0
1958	101.1	95.7	97.1	97.9	98.8	99.9	96.7	98.5	92.8
1959	101.0	111.6	104.3	102.0	102.3	98.5	105.4	102.7	97.2
1960	105.9	106.3	107.6	105.7	103.5	94.2	102.8	103.3	123.9
1961	104.6	112.6	111.3	107.5	105.6	104.0	103.0	105.3	124.6
1962	107.0	115.3	110.9	108.9	107.2	108.3	106.9	107.2	121.9
1963	111.6	115.8	112.6	112.5	110.1	107.2	104.7	109.4	135.8
1964	112.5	104.9	115.3	117.3	112.7	115.5	108.4	112.2	155.8
1965 9/	117.2	105.3	109.6	116.6	112.7	130.1	114.5	113.2	142.2
1966 10/				118.9	113.9	133.5	112.7	114.1	155.6
	B.--Percentage of total annual net utilization 11/								
1950	87.3	12.4	0.3	100.0	75.2	1.7	14.2	91.1	8.9
1951	85.4	11.6	3.0	100.0	72.7	3.4	13.3	89.4	10.6
1952	91.6	11.6	-3.2	100.0	75.8	2.5	12.5	90.8	9.2
1953	92.9	12.0	-4.9	100.0	77.0	2.3	12.7	92.0	8.0
1954	93.5	10.6	-4.1	100.0	77.5	2.0	11.6	91.1	8.9
1955	93.0	11.0	-4.0	100.0	77.1	1.7	11.9	90.7	9.3
1956	90.1	10.8	-.9	100.0	75.3	1.6	11.5	88.4	11.6
1957	88.4	10.7	.9	100.0	75.0	1.4	10.7	87.1	12.9
1958	93.2	11.4	-4.6	100.0	76.6	1.5	10.8	88.9	11.1
1959	89.4	12.7	-2.1	100.0	76.1	1.4	11.3	88.8	11.2
1960	90.5	11.6	-2.1	100.0	74.4	1.2	10.6	86.2	13.8
1961	87.8	12.1	.1	100.0	74.5	1.4	10.5	86.4	13.6
1962	88.7	12.3	-1.0	100.0	74.7	1.4	10.7	86.8	13.2
1963	89.6	11.9	-1.5	100.0	74.3	1.3	10.2	85.8	14.2
1964	86.6	10.4	3.0	100.0	72.9	1.4	10.1	84.4	15.6
1965 9/	90.7	10.5	-1.2	100.0	73.4	1.6	10.7	85.7	14.3
1966 10/				100.0	72.7	1.6	10.3	84.6	15.4

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis since 1962.

2/ Livestock production excludes change in live animal inventory; generally comprises marketings and home consumption.

3/ Includes inshipments from U. S. Territories.

4/ Farm, commercial, and Government program holdings; excludes live animal inventory. Section A: Derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes; negatives indicate stock increases; positives signify withdrawals.

5/ Includes civilian feeding in occupied areas.

6/ Excludes feed and seed.

7/ Includes shipments to U. S. Territories.

8/ Data beginning 1924 were published in National Food Situation, NFS-112, May 1965.

9/ Preliminary.

10/ Preliminary indication.

11/ Data beginning 1924 were published in National Food Situation, NFS, 111, February 1965.

Table 8.--Supply-utilization of livestock commodities: Indexes by component and relationships to total annual utilization, 1950-66 1/

Year	Supply			Utilization						
	Gross production 2/	Imports 3/	Stocks January 1 4/	Total annual gross utilization	Domestic use: Food: Civilian	Domestic use: Food: Military 5/	Domestic use: Nonfood: Seed 6/	Domestic use: Nonfood: Feed 7/	Domestic use: Nonfood: Other	Exports and shipments 8/
	A.--Index, 1957-59=100 9/									
1950	87.9	95.4	168.5	88.2	85.6	85.6	73.7	147.0	126.2	75.1
1951	87.4	86.1	165.1	88.5	84.5	184.6	84.1	142.6	107.4	83.3
1952	90.3	87.3	137.4	89.5	87.7	142.7	80.0	130.7	103.3	59.9
1953	94.5	73.1	148.8	92.9	91.1	135.7	83.1	131.4	105.7	74.7
1954	96.5	59.3	161.2	94.8	93.3	121.8	82.0	151.5	92.4	85.4
1955	99.0	69.7	151.5	98.7	97.0	112.8	83.1	122.7	104.7	120.8
1956	102.8	69.4	127.2	102.1	100.6	111.1	93.5	113.6	108.6	129.4
1957	100.6	70.3	107.5	99.6	99.3	105.0	92.4	104.4	97.0	107.0
1958	98.2	99.7	100.5	98.4	98.5	99.2	104.9	98.4	96.6	95.3
1959	101.2	130.0	92.0	102.0	102.2	95.8	102.8	97.2	106.4	97.7
1960	103.0	105.5	93.6	102.9	103.5	92.6	105.9	92.2	103.2	97.3
1961	105.7	122.0	94.7	104.9	105.4	98.7	113.2	92.5	102.3	107.6
1962	106.2	151.8	125.0	107.2	107.3	106.5	114.2	88.5	111.0	113.2
1963	109.0	165.7	137.5	111.2	110.6	107.1	111.1	88.3	111.3	155.6
1964	114.1	126.6	128.0	115.2	114.2	116.6	114.2	92.2	103.2	185.0
1965 10/	112.5	133.5	106.0	113.6	113.4	130.2	119.4	90.0	110.0	134.2
1966 11/	112.8	144.0	85.6	113.6	113.8	130.2	131.9	91.2	112.5	112.1
	B.--Percentage of total annual gross utilization									
1950	95.9	3.9	0.2	100.0	86.2	1.8	0.4	3.7	5.6	2.3
1951	95.0	3.5	1.5	100.0	84.8	3.9	.5	3.6	4.7	2.5
1952	97.1	3.5	-.6	100.0	87.0	3.0	.5	3.2	4.5	1.8
1953	97.9	2.8	-.7	100.0	87.1	2.8	.5	3.1	4.4	2.1
1954	98.0	2.2	-.2	100.0	87.4	2.4	.5	3.5	3.8	2.4
1955	96.6	2.5	.9	100.0	87.3	2.2	.5	2.7	4.1	3.2
1956	96.9	2.4	.7	100.0	87.5	2.0	.5	2.4	4.2	3.4
1957	97.2	2.5	.3	100.0	88.6	2.0	.5	2.3	3.8	2.8
1958	96.1	3.6	.3	100.0	89.0	1.9	.6	2.2	3.8	2.5
1959	95.5	4.6	-.1	100.0	89.0	1.8	.5	2.1	4.1	2.5
1960	96.4	3.6	12/	100.0	89.4	1.7	.5	2.0	3.9	2.5
1961	97.0	4.1	-1.1	100.0	89.2	1.8	.6	1.9	3.8	2.7
1962	95.4	5.0	-.4	100.0	88.9	1.9	.6	1.8	4.0	2.8
1963	94.4	5.3	.3	100.0	88.3	1.8	.5	1.8	3.9	3.7
1964	95.4	3.9	.7	100.0	88.1	1.9	.5	1.8	3.5	4.2
1965 10/	95.3	4.2	.5	100.0	88.6	2.2	.6	1.7	3.8	3.1
1966 11/	95.6	4.5	-.1	100.0	89.0	2.1	.6	1.8	3.9	2.6

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis since 1962.

2/ Livestock production excludes change in live animal inventory; generally comprises marketings and home consumption.

3/ Includes inshipments from U. S. Territories.

4/ Commercial and Government program holdings. Section A: Derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes; negatives indicate stock increases; positives signify withdrawals.

5/ Includes civilian feeding in occupied areas.

6/ Hatching eggs.

7/ Milk fed to calves and, since 1951, inedible tallow.

8/ Includes shipments to U. S. Territories.

9/ Data beginning 1924 were published in National Food Situation, NFS-113, August 1965.

10/ Preliminary.

11/ Preliminary indication.

12/ Less than 0.05 percent.

Table 9.--Supply-utilization of crop commodities: Indexes by components and relationships to total annual utilization, 1950-66 1/

Year	Supply			Utilization						
					Domestic use					Exports and shipments 5/
					Food		Nonfood			
	Gross production	Imports 2/	Stocks January 1 3/	Total annual gross utilization	Civilian	Military 4/	Seed	Feed	Other	
	A.--Index, 1957-59=100 6/									
1950	88.9	91.4	64.7	92.1	90.5	195.0	111.3	96.0	109.6	65.8
1951	90.1	92.6	64.3	96.5	90.6	331.0	108.2	99.3	111.0	82.6
1952	95.3	93.8	61.0	93.7	92.6	228.0	115.0	97.6	102.2	72.3
1953	93.9	100.3	65.0	91.1	93.0	202.0	108.4	95.1	104.4	60.1
1954	93.0	89.5	71.3	89.5	92.3	140.0	106.8	91.2	97.8	67.4
1955	94.5	93.7	89.0	90.8	94.8	104.0	108.0	91.0	102.2	68.3
1956	95.1	98.3	96.1	96.4	96.7	117.0	103.5	93.3	104.4	93.9
1957	93.4	97.9	98.3	97.9	97.8	90.0	102.2	92.2	98.0	110.4
1958	103.8	94.9	97.0	98.8	99.5	102.0	99.5	101.5	96.8	92.5
1959	102.8	107.2	104.7	103.3	102.7	108.0	98.3	106.3	105.2	97.1
1960	107.7	106.0	108.1	107.3	103.7	99.0	97.9	104.7	102.7	127.9
1961	105.7	110.1	111.9	110.5	106.2	121.0	98.9	111.0	103.3	127.1
1962	109.4	106.8	110.4	111.0	107.0	114.0	97.5	112.7	105.9	123.2
1963	112.6	104.6	111.7	112.0	109.1	107.0	97.2	110.3	103.0	132.8
1964	109.4	99.6	114.8	115.7	109.6	111.0	98.1	110.0	109.8	151.4
1965 7/	117.4	98.8	109.7	115.6	111.3	129.0	95.4	109.1	115.8	143.4
1966 8/	118.3	101.2	111.8	120.8	114.1	144.0	96.6	114.0	112.8	162.1
	B.--Percentage of total annual gross utilization									
1950	85.7	14.0	0.3	100.0	34.7	1.0	2.9	35.8	15.0	10.6
1951	83.0	13.5	3.5	100.0	33.1	1.6	2.7	35.4	14.5	12.7
1952	90.4	14.0	-4.4	100.0	34.8	1.1	2.9	35.9	13.8	11.5
1953	91.5	15.5	-7.0	100.0	36.0	1.0	2.8	35.9	14.5	9.8
1954	92.3	14.1	-6.4	100.0	36.4	.7	2.8	35.1	13.8	11.2
1955	92.4	14.5	-6.9	100.0	36.8	.5	2.8	34.5	14.2	11.2
1956	87.7	14.3	-2.0	100.0	35.4	.5	2.6	33.3	13.7	14.5
1957	84.8	14.1	1.1	100.0	35.2	.4	2.5	32.4	12.7	16.8
1958	93.3	13.5	-6.8	100.0	35.5	.5	2.4	35.3	12.4	13.9
1959	88.3	14.6	-2.9	100.0	35.0	.5	2.3	35.4	12.8	14.0
1960	89.1	13.9	-3.0	100.0	34.0	.4	2.2	33.6	12.1	17.7
1961	85.0	14.0	1.0	100.0	33.9	.5	2.1	34.6	11.8	17.1
1962	87.5	13.5	-1.0	100.0	34.0	.5	2.1	34.9	12.0	16.5
1963	89.3	13.1	-2.4	100.0	34.4	.4	2.1	33.9	11.6	17.6
1964	84.0	12.1	3.9	100.0	33.4	.4	2.0	32.7	12.0	19.5
1965 7/	90.2	12.0	-2.2	100.0	34.0	.5	2.0	32.5	12.6	18.4
1966 8/	87.0	11.8	1.2	100.0	33.3	.6	1.9	32.5	11.8	19.9

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis since 1962.

2/ Includes inshipments from U. S. Territories.

3/ Farm, commercial and Government program holdings. Section A: Derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes; negatives indicate stock increases; positives signify withdrawals.

4/ Includes civilian feeding in occupied areas.

5/ Includes shipments to U. S. Territories.

6/ Data beginning 1924 were published in National Food Situation, NFS-113, August 1965.

7/ Preliminary.

8/ Preliminary indication.

Increase in Military Use

Military food use increased from 1.4 percent in 1964 to 1.6 percent in 1965 of total use of all farm products (1.9 to 2.1 percent of total annual food use of farm products) and some further small increase is anticipated this year. The total value (current dollars) of military purchases in first quarter 1966 was 29 percent greater than a year earlier, but down 26 percent from a bulge in procurement in fourth quarter 1965. However, the current increases are not nearly so rapid as the doubling, from 1.7 to 3.4 percent of total use, that took place between 1950 and 1951 during the Korean Conflict. The size of the total military force more than doubled from 1950 to 1951 whereas the total military force increased only from 2.7 million on January 1, 1964, to 2.9 million on January 1, 1966.

Military food use accounts for a much greater share of the total use of livestock products than for crop products (includes centrally-procured foods, primarily). Further, the use of livestock products by the military in 1965 was much greater than in 1950; but the use of crop products was much smaller, both in total and as a proportion of total product use. Changes in use of these 2 major groups of products have been largely offsetting; total military use as a proportion of total annual use of all farm products remained about the same in 1965 as in 1950.

FOOD MANUFACTURING

Industrial production of processed foods in January-February 1966 was 1 percent greater than in the same months a year earlier. The increase of 1965 over 1964 was only 2 percent compared with 3 percent a year earlier. In contrast, industrial production of total manufacturing industries in January-February was 9 percent above a year earlier; for 1965, it was up 9 percent from 1964.

The relatively slow rate of expansion in food processing probably reflects the slowdown in total food consumption. Partly as a result of this slowdown, capacity utilization is not so great in food processing industries as for other manufacturing industries. Food and beverage industries were estimated by industry sources to be operating at 85 percent of capacity in December 1965 compared with 90 percent for all manufacturing.

Nevertheless, food and beverage manufacturing firms plan to expand business investment considerably this year, at roughly the same rate as for all manufacturing. Food and beverage industries spent $1.2 billion for new plant and equipment in 1965, a gain of 17 percent from 1964, according to a survey conducted in late January and February by the U. S. Department of Commerce and the Securities and Exchange Commission. Expenditures for plant and equipment this year are planned to total around $1.5 billion, for a gain of 18 percent over 1965. Plans for all manufacturing indicated an increase of 19 percent in expenditures, on top of the 21 percent increase of last year.

Food and kindred product firms reported the same number of employees on payrolls in March 1966 as a year earlier. This stability contrasts sharply with a 6-percent increase in employment by total manufacturing firms.

Earnings of production workers of food and kindred product firms averaged $2.51 per hour in January, up 3.3 percent from 12 months earlier. This compares with an average of $2.68 per hour earned by all manufacturing production workers, up 3.5 percent from 12 months earlier. Average weekly hours for food and kindred products, at 40.6 hours in March, were unchanged from 12 months earlier. As a result, average weekly earnings of $101.91 were up 3.5 percent from 12 months earlier. For all manufacturing, hours worked averaged 41.5 hours, up 0.7 percent from 12 months earlier. Consequently, average weekly earnings at $111.22 were up over 4 percent.

Shipments by food and kindred product manufacturers in January-February 1966 were 12 percent larger than a year earlier. In view of the small production gain, most of the increase apparently was due to price increases. End-of-month inventories were up only 1 percent from a year earlier in February.

After-tax profits of food and kindred product corporations amounted to 11.2 percent of stockholders' equity in fourth quarter 1965, up slightly from 10.8 percent a year earlier. 1/ The gain was less than the increase from 12.4 to 13.7 percent for all manufacturing corporations (except newspapers). Profits for food and kindred products averaged 2.8 cents per dollar of sales in fourth quarter 1965 compared with 2.7 cents a year earlier.

1/ Federal Trade Commission and Securities and Exchange Commission, Quarterly Financial Report for Manufacturing Corporations, Fourth Quarter 1965, p. 10.

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The next issue is scheduled for release August 1966.

FISHERY PRODUCTS SITUATION 1/

The demand for fishery products is expected to continue strong throughout 1966, reflecting rising consumer income, relatively high meat prices anticipated through the summer months, and population gains. Moderate advances in retail prices for both canned and frozen products appear likely.

With the exception of red salmon, current supplies of most canned fishery products are about adequate. Supplies of frozen products at the end of the first quarter were up from a year earlier, due mainly to larger stocks of imported blocks of fish fillets. Stocks of fish sticks and portions were substantially larger than a year earlier as were stocks of spiny lobster tails, scallops, and crab meat. On the other hand, frozen holdings of raw, headless shrimp were down sharply.

Final data for 1965 indicate that per capita consumption of commercially caught fish and shellfish amounted to 11.0 pounds, edible weight, up from 10.5 pounds in 1964 and 10.7 in 1963. The increase resulted largely from increased consumption of canned fishery products, 4.4 pounds per person in 1965 compared with 4.1 in 1964. Consumption of fresh and frozen fishery products in 1965 amounted to 6.1 pounds per person, up 0.2 pound from a year earlier. In addition, an estimated annual per capita consumption of over 3 pounds of fish and shellfish taken by sportsmen and for home use by commercial fishermen.

Annual per capita consumption of commercially caught fish and shellfish in the United States has, for many years, averaged 10 to 11 pounds except for a few years during the depression of the 1930's and World War II. Although the use of fresh and frozen fishery products has not shown a significant change in the past 30 years, there have been changes among products and species. The consumption of domestically caught Atlantic mackerel, cod, haddock, ocean perch, and oysters, has declined significantly. Consumption of fish sticks and portions produced from imported blocks of fillets has increased. Shrimp consumption also has risen; both domestic production and imports of shrimp have grown.

Per capita use of canned fishery products reached a peak in the 1930's, averaging 4.7 pounds during the years from 1934 to 1939. Consumption of canned salmon declined from an average of 2.4 pounds per capita in the 1930's to less than 1 pound for each year since 1958. Consumption of canned Pacific sardines also has dropped sharply. Conversely, the use of canned tuna has grown rapidly, from a half pound per person in 1935 to more than 2 pounds since 1959. The consumption of cured fishery products fell steadily from 3 to 4 pounds per person early in the century to about a half pound in recent years.

Over half of the fishery products consumed in the United States came from abroad last year (including raw materials used in domestic processing) and the strong domestic demand will continue to encourage imports. Raw-product prices of tuna and shrimp, 2 of the largest import items, are much above

1/ Prepared by Fish and Wildlife Service U.S. Department of the Interior.

spring 1965 levels. If domestic landings of these 2 species are not substantially higher than in 1965, imports must increase at a time when world-wide demand also is increasing. This country already ranks as the world's largest importer of fishery products.

COFFEE SITUATION

The total world coffee crop for the 1965-66 crop year is estimated at 78.8 million bags with exportable production forecast at 63.8 million bags. This new crop is close to the record crop of 1959-60 which totaled 78.9 million bags and is considerably larger than 1964-65 production of 51.4 million bags of which 36.7 million bags was exportable. Production in Brazil, the world's largest producer of coffee, is expected to be about 35.0 million bags, a more than three-fold increase over the 10.0 million bag crop of the previous year. Exportable production for 1965-66 will be about 27.8 million bags, nearly 8 times as large as the 3.0 million bags of exportable production in 1964-65.

Brazilian production of green coffee, which dropped to 19 percent of the world's total in 1964-65, regained its usual share of over 40 percent of the world total in 1965-66. African coffee-producing countries are expected to account for nearly a fourth of the world total in 1965-66.

The current large world and Brazilian crops may affect coffee prices despite the stabilizing influence of the International Coffee Agreement. Already, Brazil has reduced its minimum selling price to the United States and to other importing countries; this probably will cause U.S. wholesale and retail coffee prices to weaken later this year.

In February 1966, average wholesale Robusta green bean prices (African Ambriz #2AA) declined to 34.5 cents per pound, 3 cents below the January price but $2\frac{1}{2}$ cents above the 1965 annual average (fig. 5). The average wholesale price of Santos #4 was 42.5 cents per pound in February 1966, $1\frac{1}{2}$ cents below that in January and about $2\frac{1}{2}$ cents below the 1965 annual average. 1/

During the first 5 months of 1965, Robusta prices weakened with the price declining from 28.5 cents to 23.0 cents, continuing the downtrend which began in January 1964. After May 1965, however, Robusta prices strengthened considerably. Prices of Santos #4 have been relatively stable compared with prices for Robusta. Since December 1965, prices of Santos #4 have declined only slightly despite prospects for a near-record world crop.

In March 1966, the U.S. average retail prices per pound of canned coffee and per 6 oz. jar of instant coffee were 82.5 cents and 89.7 cents, respectively (fig. 6). The price of canned coffee averaged 83.3 cents per pound can in 1965, up from 81.6 cents in 1964. Instant coffee (per 6 oz. jar) averaged 95.2 cents in 1965, down from 106.7 cents in 1964. During 1965, retail prices of both canned and instant declined steadily, but the decline for instant was much greater than that for canned.

1/ Preliminary figures for March indicate that the price of Santos #4 dropped to 42.0 cents per pound whereas the wholesale price of Robusta increased slightly to 34.8 cents per pound.

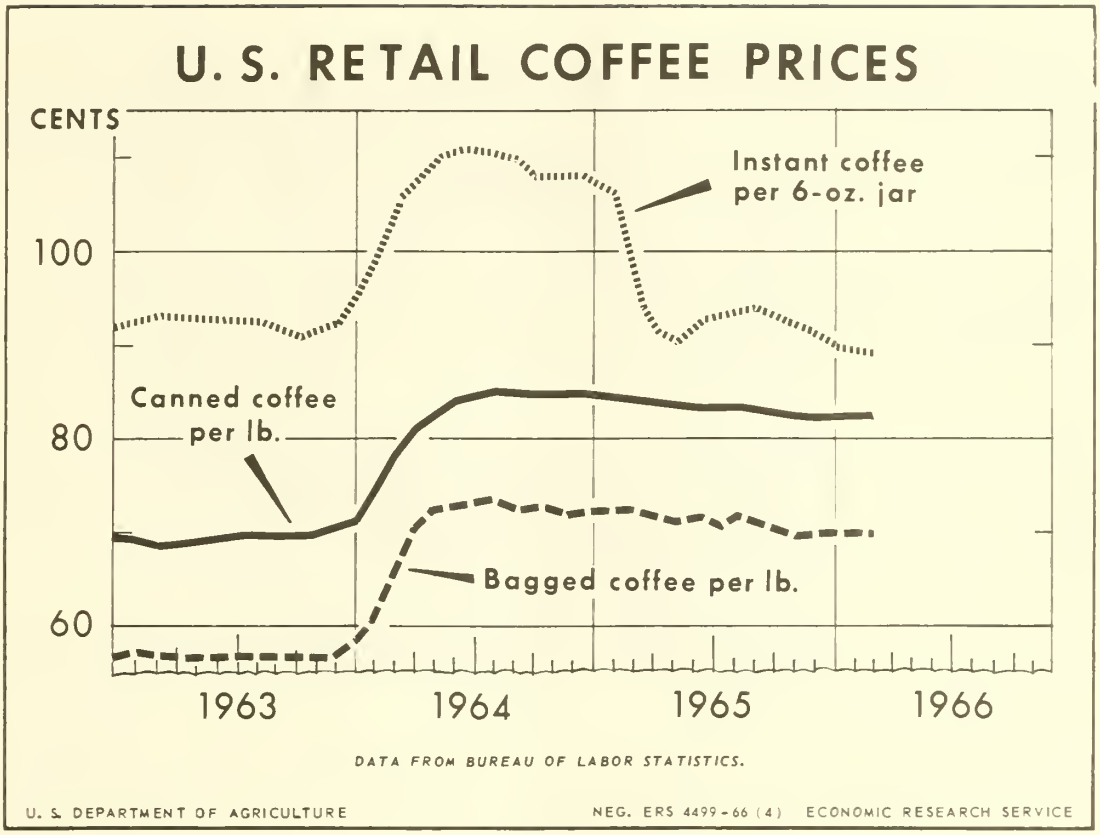

Figure 5

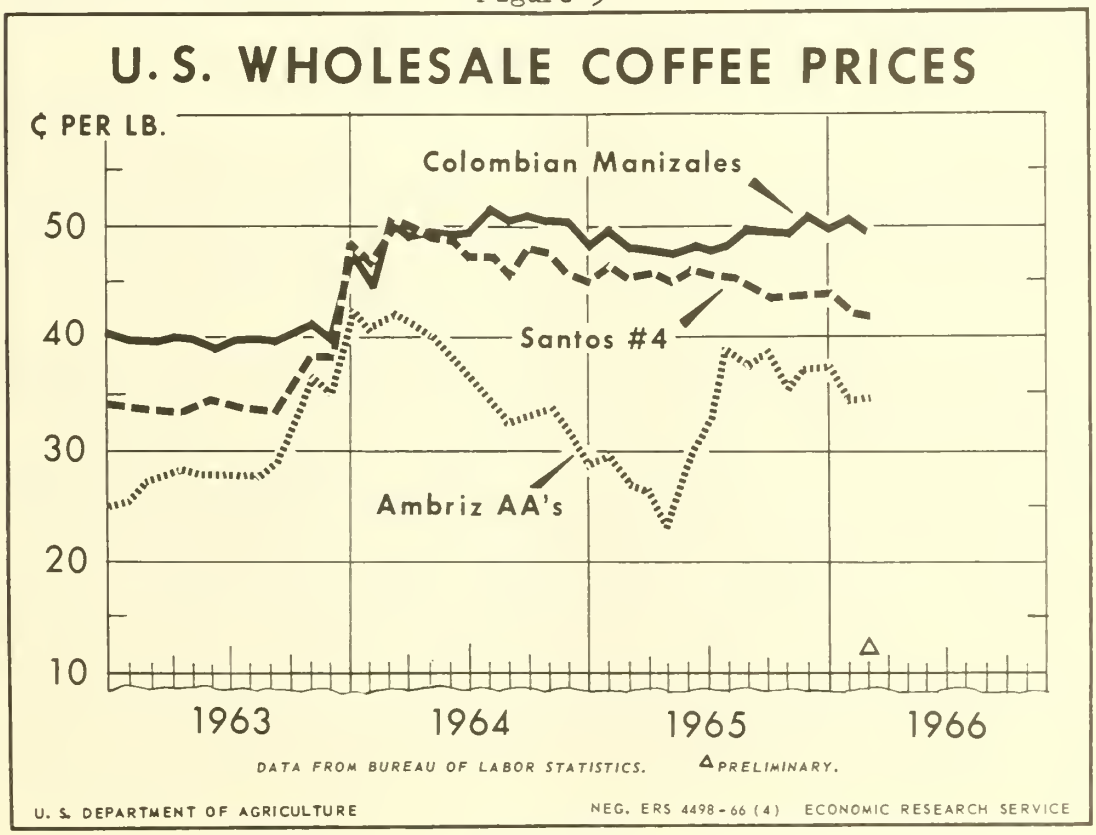

Figure 6

Average retail coffee prices in 1965 differed widely among large cities. Among the 12 large cities reported, the retail price of canned coffee was highest in St. Louis and Washington, D.C., 86 cents per pound; it was lowest in San Francisco, 78 cents. Average prices of instant coffee in 1965 varied from a high of 99 cents per 6-oz. jar in Boston to 88 cents in Washington, D.C.

U. S. coffee consumption continued to decline in 1965, dipping to 14.9 pounds per capita, green bean equivalent, 3 percent below 1964. Consumption of regular coffee declined from 12.9 pounds per capita in 1964 to 12.4 pounds in 1965 while the consumption of instant coffee remained at 2.5 pounds per capita.

According to a study by the Pan American Coffee Bureau (PACB) the daily rate of coffee drinking decreased between 1964 and 1965 in all 4 regions of the United States. The South and West experienced the larger decreases, 5.0 percent and 8.6 percent, respectively. Declines in the East and Midwest were smaller--1.6 percent and 1.9 percent, respectively.

The PACB survey showed increased consumption since 1964 for all beverages except coffee. During that period, soft drinks made the largest relative gains. The percentage of persons 10 years of age and older consuming coffee declined from 72.0 to 71.4 percent between 1964 and 1965. The percentage consuming soft drinks increased from 35.0 to 37.8 percent, an increase of 2.8 percent. Others, all of which showed an increase in 1965 over the year earlier, were: Milk and milk drinks, 52.4 to 54.1 percent; fruit and vegetable juices, 38.4 to 38.8 percent; tea, 25.2 to 25.5 percent; and cocoa and hot chocolate, 3.6 to 3.9 percent.

TEA SITUATION

Total sales of tea in U. S. retail stores in 1965 (excluding sales by hotels, restaurants, and insitutional users) were estimated at about 102 million pounds, up 3 percent over the preceding year. 1/ Sales of instant tea and tea bags (pound basis) continued to increase, whereas sales of packaged teas have fallen in recent years (fig. 7).

Sales of instant tea in U. S. retail stores rose to 17.5 million pounds in 1964, up from 4.8 million pounds in 1960, according to the A. C. Nielsen Report to the Tea Industry. Preliminary estimates indicate that instant tea sales in 1965 were about 17 percent above the previous year. Percentagewise, the share of the market for the sales of tea bags and packaged teas declined between 1960 and 1965. Tea bag sales declined from 59 to 57 percent of the total market, and packaged teas declined from 35 to 23 percent. In 1965, instant tea sales (pound basis) are estimated to have made up about 21 percent of the total U. S. retail tea market compared with less than 6 percent in 1960. By 1970, instant tea sales likely will account for nearly a third of the total

1/ It is estimated that U. S. retail food stores in recent years accounted for about 75 percent of total sales and restaurants, hotels and institutional users, the remaining 25 percent.

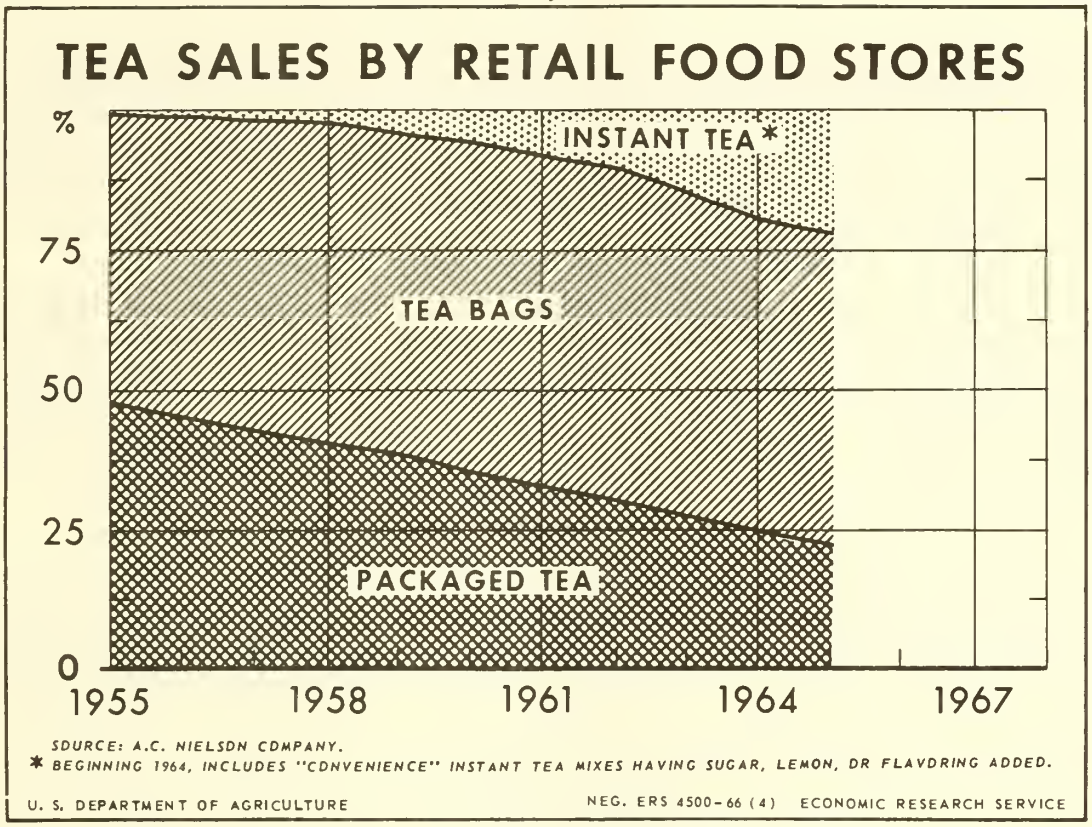

Figure 7

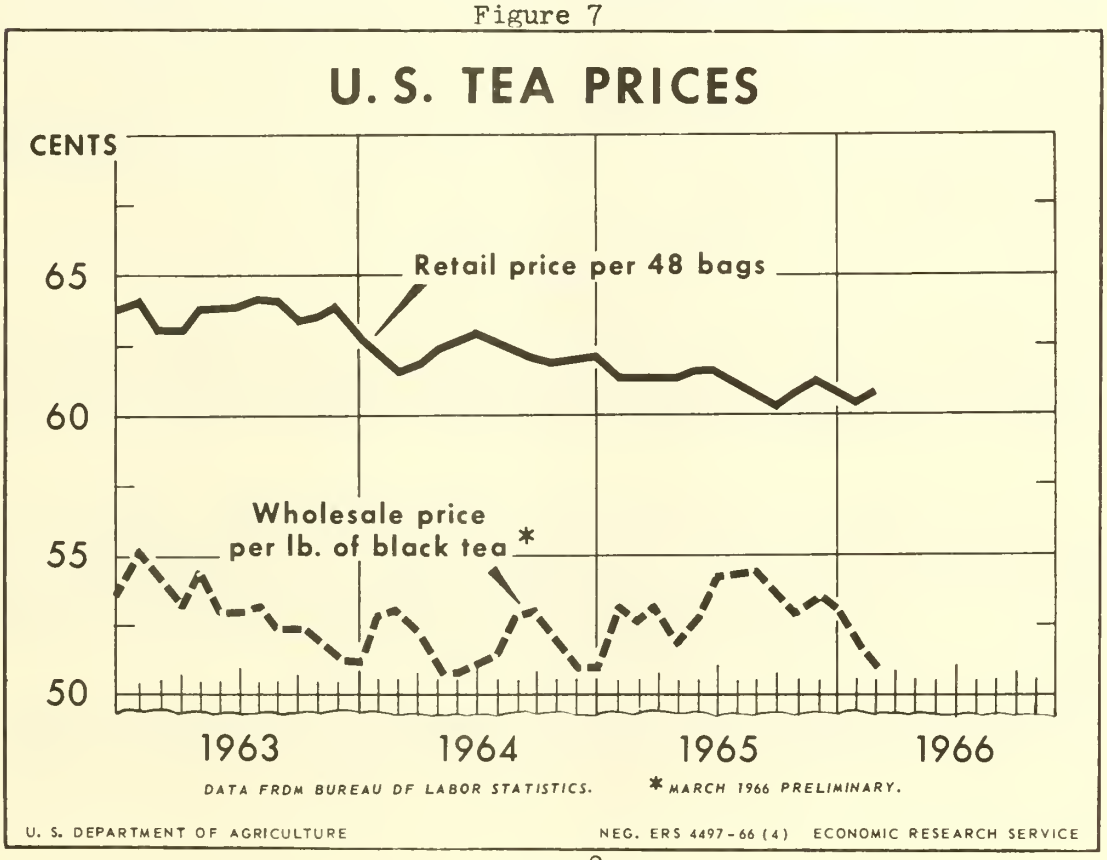

Figure 8

market. Recently introduced "convenience" instant tea mixes also are bolstering sales. These new products have sugar, lemon, or flavoring already added.

Increasing demand has boosted tea imports during the past several years. Imports in 1965 were 27 percent above the 1957-59 average; however, they were 2 percent below that of the previous year which was the largest quantity imported in nearly a half century.

U. S. tea consumption in 1965 remained at the 1964 level of 0.69 pound per person, 15 percent above the 1957-59 average. Increased sales of instant tea have contributed to the rise in U. S. tea consumption in recent years. The level of U. S. tea consumption is far below that of the United Kingdom, the world's largest consumer of tea, whose per capita consumption in 1964 was 9.5 pounds. Unlike coffee-producing countries that export most of their production, tea-producing countries consume roughly half of their production.

Over the years, tea prices have remained relatively stable (fig. 8). The average 1965 retail price per 48-bag package was 61 cents, down 1 cent from the previous year. The price declined to about 60½ cents in February 1966. The lower retail price of packaged tea may be reflecting more efficient production methods. New York wholesale prices of black teas averaged 53.1 cents per pound during 1965, up 1.3 cents from a year earlier, but still slightly under the 1963 average of 53.2 cents.

SWEETENER SITUATION

The supply of sweeteners in the United States appears abundant for the remainder of 1966. Deliveries of refined cane sugar and corn sirup during the first quarter of 1966 were substantially above the same period last year. However, deliveries of refined beet sugar and dextrose in first quarter 1966 were down slightly. Sweetener prices during the remainder of 1966 are expected to be relatively stable.

Sugar

On April 8, 1966, the Secretary of Agriculture announced a 200,000 ton increase in U. S. sugar consumption requirements for 1966 to 10.0 million tons (raw value). 1/ The Hawaiian quota was increased by 63,474 tons and the remainder was prorated among 27 other countries.

The Department of Agriculture originally limited sugar imports in the first quarter of 1966 to 700,000 tons (raw value). However, the USDA increased the first quarter import quota on February 10 and again on February 14. On February 23, all Government restrictions were removed from imports for first quarter 1966. During January-March 1966, 225,000 tons of sugar were certified for entry in addition to the original 700,000-ton quota.

1/ 107 pounds of sugar, raw value, is equivalent to 100 pounds of refined sugar.

Total deliveries by cane sugar refineries were substantially higher for January 1 through April 16, compared with the same period last year. However, beet sugar deliveries were somewhat less. The data by type of distribution are as follows (refined basis, 1,000 tons):

Deliveries	1964	1965	1966
Refineries	1,526	1,570	1,708
Beet processors	565	737	700
Importers	43	42	35
Mainland cane processors	20	18	1/19
Total (through April 16)	2,154	2,367	2,462

1/ Jan.-Feb. only.

Total consumption of refined sugar has increased about 114,000 tons annually since 1960, about 1 percent per year, but per capita consumption has declined slightly. Per capita consumption in 1966 likely will approximate the $96\frac{1}{2}$ pounds in 1965 (table 5).

The 1962 amendments to the Sugar Act provided special quota arrangements for the possible construction of several new beet sugar processing facilities, primarily in new producing areas. Four new factories have been built and 2 more currently are under construction. There were no similar provisions in the 1965 amendments to the Sugar Act.

Sugar Deliveries by Major Areas

There were substantial changes in the volume of refined sugar deliveries (first sale after refining) to major consuming areas between 1950-54 and 1965. Total U. S. deliveries of refined sugar increased from 7.6 million tons in 1950-54 to 9.4 million tons in 1965, an increase of almost 25 percent (table 10). Annual sugar deliveries to the West and North Central regions increased 35 percent between 1950-54 and 1965, but only 11 percent to the Northeast and 12 percent to the South. Six states received almost half of the U. S. refined sugar deliveries in 1965: Illinois, California, New York, Pennsylvania, Texas and Ohio.

Beet sugar deliveries accounted for about 30 percent of U. S. refined sugar deliveries in 1965. Beet sugar deliveries last year accounted for 56 percent of all deliveries in the North Central region, 59 percent in the West, but only 1 percent in the Northeast, and 6 percent in the South.

The percentage distribution of refined sugar deliveries by major region in 1950-54 and 1965 has resulted in a decrease for the Northeast, from 34 to 30 percent of the U. S. total, and an increase for the North Central, from 30 to 33 percent. Little proportionate change occurred for the South and West.

Table 10.--Primary sugar deliveries (refined sugar): By major area, selected periods

Major states or region	Cane sugar 1/				Beet sugar				Total sugar			
	1950-54	1955-59	1960-64	1965	1950-54	1955-59	1960-64	1965	1950-54	1955-59	1960-64	1965
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
New England												
Massachusetts	251	255	259	251	---	---	2	---	251	255	261	251
Other 2/	160	157	157	146	---	---	2	---	160	157	159	146
Total	411	412	416	397	---	---	4	---	411	412	420	397
Middle Atlantic												
Virginia	145	147	156	154	---	3/	3	3/	145	147	159	154
Maryland	167	193	213	233	---	3/	1	3/	167	193	214	233
New Jersey	314	382	414	423	---	3/	5	3	314	382	419	426
Pennsylvania	596	603	616	626	2	5	24	17	598	608	640	643
New York	876	859	862	806	5	10	26	17	881	869	888	823
Other 4/	106	93	90	163	---	3/	1	1	106	93	91	164
Total	2,204	2,277	2,351	2,405	7	15	60	38	2,211	2,292	2,411	2,443
NORTHEAST	2,615	2,689	2,767	2,802	7	15	64	38	2,622	2,704	2,831	2,840
East North Central												
Wisconsin	84	75	72	63	70	89	111	136	154	164	183	199
Indiana	167	158	175	199	27	43	79	88	194	201	254	287
Michigan	127	154	149	148	121	134	175	193	248	288	324	341
Ohio	317	363	347	331	30	46	93	115	347	409	440	446
Illinois	393	398	447	384	297	412	514	703	690	810	961	1,087
Total	1,088	1,148	1,190	1,125	545	724	972	1,235	1,633	1,872	2,162	2,360
West North Central												
Missouri	136	138	140	133	77	62	94	112	213	200	234	245
Other 5/	95	113	90	84	307	316	337	349	402	429	427	433
Total	231	251	230	217	384	378	431	461	615	629	661	678
NORTH CENTRAL	1,319	1,399	1,420	1,342	929	1,102	1,403	1,696	2,248	2,501	2,823	3,038
South East												
Tennessee	156	161	186	192	---	---	1	---	156	161	187	192
Florida	122	164	195	200	---	---	---	---	122	164	195	200
North Carolina	172	194	207	210	---	---	3/	---	172	194	207	210
Georgia	232	241	284	296	---	---	---	---	232	241	284	296
Other 6/	366	440	445	421	---	1	2	4	366	441	447	425
Total	1,048	1,200	1,317	1,319	---	1	3	4	1,048	1,201	1,320	1,323
South Central												
Louisiana	170	187	189	189	---	---	---	3/	170	187	189	189
Texas	297	329	358	354	50	60	75	105	347	389	433	459
Other 7/	118	122	119	111	23	18	19	27	141	140	138	138
Total	585	638	666	654	73	78	94	132	658	716	760	786
SOUTH	1,633	1,838	1,983	1,973	73	79	97	136	1,706	1,917	2,080	2,109
Rocky Mountain 8/	33	37	42	44	135	142	154	156	168	179	196	200
Pacific Coast												
California	330	349	368	350	339	456	538	645	669	805	906	995
Other 9/	87	79	77	70	120	133	147	153	207	212	224	223
Total	417	428	445	420	459	589	685	798	876	1,017	1,130	1,218
WEST	450	465	487	464	594	731	839	954	1,044	1,196	1,326	1,418
UNITED STATES 10/	6,017	6,391	6,657	6,581	1,603	1,927	2,403	2,824	7,620	8,318	9,060	9,405

1/ Includes deliveries by cane sugar refineries, mainland cane sugar mills, and by importers of direct consumption sugar.
2/ Connecticut, Maine, New Hampshire, Rhode Island and Vermont.
3/ Less than 500 tons.
4/ District of Columbia, Delaware, and West Virginia.
5/ Iowa, Kansas, Minnesota, Nebraska, North Dakota, and South Dakota.
6/ Alabama, Kentucky, Mississippi, and South Carolina.
7/ Arkansas and Oklahoma.
8/ Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming.
9/ Oregon, Washington, and beginning 1960, Alaska.
10/ Excludes deliveries in Hawaii.

Based on data from USDA Sugar Reports.

The changes in U. S. sugar deliveries among regions have been due largely to 2 factors, shifts in population and changes in output of heavy sugar-using industries. These industries include the processing of bakery products, candy, ice cream, soft drinks,and processed fruits and preserves.

Sugar Prices

The world price of raw sugar--No. 8 contract, bagged sugar, stowed at Caribbean ports--was generally much lower than the domestic price during 1950-66 (fig. 9). However, the world price fluctuated erratically; in 1963 and the first half of 1964,it averaged higher than the domestic price. During January-March 1966, the world price averaged 2.30 cents per pound. The domestic price of raw sugar--No. 7 contract, bulk sugar, New York, duty-paid basis--has been relatively stable since 1950, except for 1963 and early 1964. During January-March 1966, the domestic price averaged 6.88 cents per pound.

Changes in refined sugar prices tend to follow changes in domestic raw sugar prices. The price of wholesale refined sugar in the Northeast was relatively stable during most of 1950-66, but it increased somewhat more rapidly than the domestic raw sugar price. It reached a high of 11.94 cents per pound in 1963 and declined to 10.22 cents per pound in 1965. During January-March 1966, it averaged 10.39 cents per pound but declined to 10.20 cents in April. The retail price of refined sugar also was relatively stable during 1950-66, except for 1963. During January-March 1966,it averaged 11.90 cents per pound.

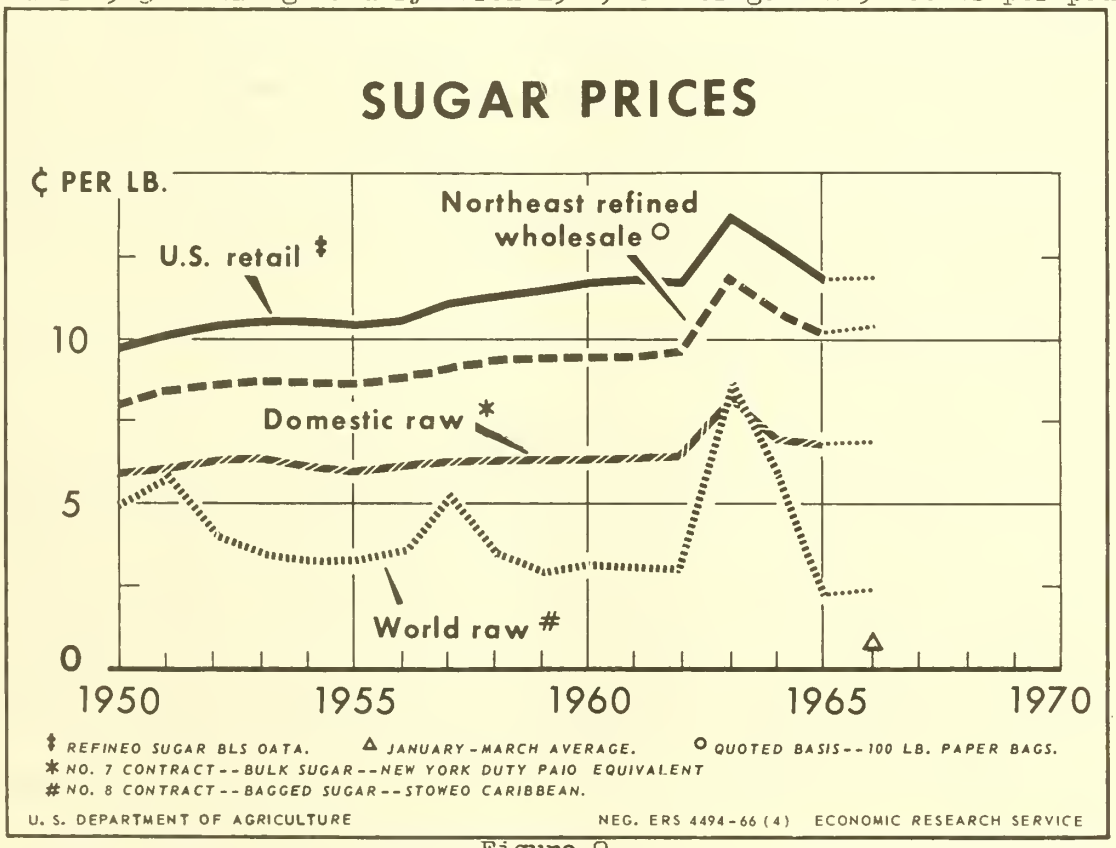

Figure 9

Corn Sweeteners

Deliveries

Domestic corn sirup deliveries, which have increased 9 percent annually since 1960, increased slightly less than 2 percent between 1964 and 1965 to 1.14 million tons (dry weight basis 1/). Per capita consumption in 1965 averaged about 11.2 pounds. Demand for corn sirup in first quarter 1966 was brisk; deliveries increased 12 percent from a year earlier.

Domestic deliveries of dextrose, which have increased 5 percent annually since 1960, increased slightly over 1 percent from 1964 to 1965--to 0.475 million tons. 1/ Per capita consumption remained at the same level in 1965 as in 1964--4.1 pounds. Dextrose deliveries in first quarter 1966 were about the same as a year earlier. Deliveries of corn sirup plus dextrose for food use in 1965 were equivalent to about 15 percent of the total food use of sugar plus corn sweeteners.

Corn Sweetener Prices 2/

Wholesale corn sirup prices have been relatively stable in recent years. The quoted price--New York, drum basis, 43 percent unmixed--averaged 9.46 cents per pound during January-March 1966. 2/ The present wholesale price in New York is about 91 percent of the quoted wholesale price of refined sugar in the Northeast.

Dextrose prices have increased considerably more than corn sirup prices in the past 5 years. The wholesale price quotation--New York, dextrose hydrate, 100 lb. bags--averaged 8.13 cents per pound in 1960. 2/ It reached a high of 9.73 cents per pound in 1964, but declined to 9.36 cents per pound in 1965. The January-March 1966 price averaged 9.19 cents per pound. The current dextrose price in New York is about 88 percent of the price of wholesale refined sugar in the Northeast.

Corn sweetener prices likely will remain about stable for the next 6 months, possibly for the year.

Honey

Total consumption of honey in 1965 approximated 285 million pounds. Per capita consumption was 1.43 pounds, up slightly from 1.39 pounds in 1964.

In view of the sizable carryover stocks of honey at the beginning of 1966 and expected large 1966 output, honey was included in the USDA list of "plentiful foods" for April and May. Also, honey merchandising was promoted by means of a special, nationwide Plentiful Foods program in cooperation with industry's "Honey for Breakfast" campaign during the week of April 10-16, 1966.

1/ Dry weight is commercial weight multiplied by 0.92 for dextrose and 0.803 for corn sirup.

2/ Price data from USDA Sugar Reports--dry weight basis.

Noncaloric Sweeteners

Trade sources reported that production of cyclamate in 1964 and 1965 exceeded consumption and inventories increased. 3/ Saccharin imports in 1965 totaled 755 million pounds, down 2 percent from 1964. About 90 percent came from Japan.

Domestically quoted saccharin prices have not changed since January 1965. Sodium saccharin currently sells for $1.40 per pound and calcium saccharin for $2.10 per pound. Quoted prices for both sodium and calcium cyclamate continue at 64 cents per pound, down 8 cents per pound from November 1965 and 21 cents from the January-June 1965 average. Relatively stable prices for saccharin and cyclamate are expected for 1966 in contrast to price declines in previous years.

FOREIGN TRADE

The United States continued to have a favorable agricultural balance of trade in calendar year 1965 (table 11). The total value of imports of agricultural products in 1965 was at about the same level as a year earlier, $4.1 billion. The value of exports was $6.2 billion in 1965, down slightly from $6.3 billion in 1964.

All of the decline in agricultural product exports was due to an 8 percent drop in value of exports of food products; nonfood exports increased 6 percent. Similarly, the value of food imports declined 3 percent between 1964 and 1965, but the value of nonfood imports increased 9 percent.

Imports

The value of imports of many agricultural products declined last year. Coffee and sugar, two of the most important crops imported for food use, declined by 12 percent and 4 percent, respectively. On the other hand, meat and meat products increased by 5 percent. The decline in the value of imported coffee was due to a 7 percent decline in the quantity imported and a decline of 5 percent in unit value. The quantity of coffee imported declined as U.S. coffee consumption continued to drop. A decline in world sugar prices was the overriding factor in the drop in value of sugar imports. Though the value of meat and meat product imports increased, the value of beef and veal, the largest component, declined by 7 percent. All other meat products showed increases over the previous year, the largest of which was for pork products. The significant increase in value of banana imports was due primarily to a change in pricing bananas; the quantity imported increased only 2 percent.

Wool, tobacco, and live animals were the major nonfood imports that increased over the previous year. Imports of live animals increased significantly because of rising feeder cattle and meat prices in this country. The major nonfood item that declined was rubber (and allied gums) which declined by 9 percent between 1964 and 1965.

3/ Official data reporting domestic noncaloric sweetener production for 1965 are not yet available.

Table 11.--Value of exports and imports for consumption, calendar years 1964 and 1965 1/

Items	Exports			Imports			Net exports	
	1964	1965 2/	Change	1964	1965 2/	Change	1964	1965 2/
	Mil. dol.	Mil. dol.	Pct.	Mil. dol.	Mil. dol.	Pct.	Mil. dol.	Mil. dol.
Food:								
Animal products:								
Dairy products	224	196	-12	63	73	16	161	123
Beef and veal	23	23	0	261	242	-7	-238	-219
Pork	39	16	-59	127	159	25	-88	-143
Poultry meat	61	58	-5	1	1	0	60	57
Lard and other fats	73	47	-36	---	---	---	73	47
Total 3/	498	421	-15	501	532	6	-3	-111
Crop products:								
Bananas	---	---	---	127	162	28	-127	-162
Other fruits	279	313	12	126	123	-2	153	190
Tree nuts	18	43	139	72	75	4	-54	-32
Vegetables & preparations	158	155	-2	104	116	12	54	39
Vegetable oils	222	283	27	78	66	-15	144	217
Soybeans	567	650	15	---	---	---	567	650
Rice	205	244	19	1	3	200	204	241
Wheat & flour	1,539	1,183	-23	2	2	0	1,537	1,181
Coffee	36	31	-14	1,208	1,064	-12	-1,172	-1,033
Cocoa	2	3	50	160	146	-9	-158	-143
Tea	1	1	0	60	57	-5	-59	-56
Sugar & related products	6	7	17	465	448	-4	-459	-441
Wines & malt liquors	9	2	-78	85	89	5	-76	-87
Total 3/	3,224	3,066	-5	2,634	2,524	-4	590	542
All food	3,722	3,487	-6	3,135	3,056	-3	587	431
Nonfood:								
Animal products:								
Live animals	36	35	-3	56	117	109	-20	-82
Hides and skins	93	109	17	71	73	3	22	36
Wool	3	8	167	205	229	12	-202	-221
Inedible tallow	154	178	16	---	---	---	154	178
Total 3/	344	364	6	394	482	22	-50	-118
Crop products:								
Cotton and linters	690	495	-28	26	23	-12	664	472
Tobacco	413	383	-7	110	130	18	303	253
Inedible oils and oilseeds	41	37	-10	19	36	89	22	1
Oil cake and meal	145	187	29	3	2	-33	142	185
Corn	652	832	28	2	2	0	650	830
Other feed grains	219	302	38	20	9	-55	199	293
Rubber and allied gums	6	4/	---	201	182	-9	-195	-182
Total 3/	2,282	2,378	4	554	551	-1	1,728	1,827
All nonfood	2,626	2,742	4	948	1,033	9	1,678	1,709
All agricultural:	6,348	6,229	-2	4,083	4,089	5/	2,265	2,140
Complementary imports	---	---	---	1,986	1,840	-7	-1,986	-1,840
Supplementary imports	---	---	---	2,097	2,249	7	-2,097	-2,249
Nonagricultural	19,738	20,775	5	14,517	17,201	18	5,221	3,574
Total, all commodities	26,086	27,004	4	18,600	21,290	14	7,486	5,714

1/ Compiled from Foreign Agricultural Trade of the United States. Food use of items such as oils, oilseeds, and grains is approximated. 2/ Preliminary. 3/ Includes miscellaneous items in addition to those enumerated above. 4/ Not available. 5/ Less than 0.50 percent.

Total supplementary (competitive with domestically produced products) imports increased by 7 percent, whereas the complementary (largely tropical commodities) imports declined by 7 percent.

Exports

The value of agricultural exports declined slightly from its record high in 1964 but export sales for dollars increased from $4.6 billion to $4.8 billion.

All major categories of products for food use declined. Total animal products declined by 15 percent; total crop products, by 6 percent. However, exports of animal products and crop products for nonfood use each increased by 6 percent.

Wheat and wheat flour, one of the most important exports for food use, experienced the largest export decline, dropping 23 percent below calendar 1964. Soybeans, vegetable oils and rice showed the most significant increases. Of the most important exports for nonfood use, corn rose 28 percent over the previous year. On the other hand, cotton and linters declined by 28 percent, tobacco by 7 percent.

THE IMPORTANCE OF IMPORTS AS A SOURCE OF FOOD 1/

Over 11 percent of all the food used by U. S. civilians in 1965 was imported or shipped in from U. S. Territories (table 12 and cover chart). 2/ Although fluctuations have occurred among some individual foods, the average proportion of imported food to all food used by U. S. civilians has remained fairly stable over the past decade (1955-65), averaging about 12½ percent. 3/

Many foods consumed in the United States are entirely produced here, but several others are mostly imported. Prime examples of such imports are tropical commodities such as coffee from Brazil, tea from Ceylon, and cocoa from Ghana; many of the treenuts come from India and Turkey; several oils and oilseeds, such as copra and coconut oil, are imported primarily from the Philippines and Brazil; and most imports of fishery products are from Canada and Japan.

About 76 percent of all imports of agricultural products (excluding fishery products) were used for civilian food last year. The primary nonfood imports were wool, cotton, and tobacco; they made up about 16 percent of all agricultural imports in 1965. Other nonfood agricultural imports accounted for the remaining 8 percent; these included nonfood items such as hides and skins, and nonfood uses of imported products classed as foods.

1/ By Robert G. Ainsworth, Food Consumption and Utilization Section, Economic Research Service.

2/ Quantities weighted using farm prices in 1957-59 except for commodities not produced in the United States which are priced at U. S. port-of-entry prices. Includes both fishery and farm products. Total food use includes food use of both food and nonfood products. Allocation among uses is made on the basis of value of processed products.

3/ Since 1962, the data are on a 50-state basis. Prior to 1962, inshipments from Alaska, Hawaii, and U. S. Territories are included with imports.

Table 12.--Proportions of U. S. food consumption supplied by imports, by product group, 1955-65 1/

Group	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965 2/
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Crops											
Coffee, tea, cocoa	100.0	100.0	100.0	100.0	100.0	100.0	100.0	99.8	99.7	99.8	99.8
Bananas	100.0	100.0	100.0	100.0	100.0	100.0	100.0	99.8	99.8	99.8	99.8
Other fruit	6.0	6.3	6.0	6.2	5.7	6.3	7.9	2.1	2.7	3.3	2.7
Oils and oilseeds, total	18.9	15.5	16.0	16.1	13.9	12.8	14.6	16.6	13.0	13.6	11.9
Domestic crops 3/	4.6	.7	.5	1.0	.5	.4	.6	.5	.3	.2	.2
Sugar and sirups 4/	69.2	68.8	67.5	66.5	67.2	66.0	63.8	53.3	50.2	41.8	44.5
Treenuts, total	33.9	29.9	32.3	34.4	31.2	30.3	24.6	24.6	24.0	21.8	20.4
Domestic crops 5/	10.4	8.4	7.0	10.9	10.0	7.0	4.9	2.8	3.2	2.8	2.6
Vegetables	1.1	1.3	1.2	1.7	1.6	1.7	1.7	1.7	1.5	1.7	1.7
Food grains	.8	1.1	1.2	.7	.8	.7	.6	.6	.6	.5	.3
Feed grains	.2	.3	.4	.2	.1	.1	.1	.1	.1	.1	.1
All crops	33.6	33.8	34.6	34.0	34.5	34.3	34.7	32.5	31.5	30.6	29.6
Animal products											
Beef and veal	1.4	1.2	2.3	5.6	6.4	4.4	5.7	7.7	8.4	5.0	4.4
Pork and lard	1.5	1.2	1.3	1.7	1.4	1.5	1.5	1.7	1.7	2.0	2.7
Lamb	.1	6/	.1	1.1	1.2	1.6	1.4	1.7	2.6	1.5	2.1
Mutton	2.1	2.1	7.0	45.9	72.5	61.0	65.2	71.8	74.6	63.8	62.5
Dairy products	.3	.3	.3	.4	.4	.4	.5	.5	.6	.6	.6
Poultry and eggs	6/	6/	6/	6/	6/	6/	6/	6/	6/	6/	6/
Honey	3.8	2.2	1.9	1.5	1.8	4.6	3.2	2.5	.9	1.7	4.4
Fishery products 7/	25.8	26.3	28.0	27.9	34.2	30.1	32.8	33.8	34.1	34.4	36.0
All animal products	1.5	1.4	1.8	3.0	3.5	2.8	3.3	4.2	4.5	3.3	3.3
All food	11.4	11.3	12.0	12.7	13.2	12.6	13.2	13.0	12.8	11.6	11.4

1/ Imports for civilian food use divided by total civilian food use. Quantities of food products are weighted using 1957-59 U. S. average farm and wharf prices, except dockside prices used for nondomestic products. Use of imported items assumed proportional to domestic use. Imports are on a 50-State basis beginning 1962. Includes major inshipments from U. S. Territories, including inshipments from Alaska and Hawaii prior to 1962. 2/ Preliminary. 3/ Total of peanuts, cottonseed, and soybeans. 4/ Includes inshipments of sugar from Hawaii prior to 1962 (12.4 percent of sugar consumption in 1955 and 10.9 percent in 1961) and from other Territories (12.8 percent in 1955 and 8.3 percent in 1965). Proportion imported from foreign sources declined from 44 to 36 percent from 1955 to 1965. 5/ Total of almonds, filberts, walnuts, and pecans. 6/ Less than 0.05 percent. 7/ Excludes imported raw materials used for domestic processing and canned fishery products from Alaska, Hawaii, American Samoa, and Puerto Rico and cured products from Alaska.

Comparison With Exports

In contrast to the stability in overall importance of imports, exports of agricultural products have increased sharply in recent years, except for the slight decline in 1965. In 1965, food product exports accounted for 12.8 percent of the total use of food compared with 7.2 percent in 1955. 4/ Nonfood product exports amounted to 26.5 percent of the total annual use of nonfood products, compared with 24.9 percent in 1955. Of the total use of all agricultural products (both food and nonfood), exports accounted for 14.3 percent in 1965, up from 9.3 percent in 1955 (table 7).

Food exports as a percentage of U. S. civilian food use increased from 8.3 percent in 1955 to a high of 16.5 percent in 1964, but declined slightly in 1965:

Year	Food Exports as Percent of U. S. Civilian Food Use
1955	8.3
1956	10.4
1957	10.7
1958	9.6
1959	10.5
1960	11.9
1961	12.5
1962	13.4
1963	14.6
1964	16.5
1965	15.4

In 1965, exports accounted for about 16 percent of U. S. production 5/ of all agricultural products, both food and nonfood. This is made up of over 3 percent of the production of livestock products and 20½ percent of the output of crop products (including feed and seed).

Wheat and wheat flours, rice, soybeans, edible fats and oils, and fresh and processed fruits are among the major U. S. exports for food use. Major nonfood exports include cotton, tobacco, feed grains, oil cake and meal, inedible tallow, and hides and skins.

Imports of Animal and Crop Products

In 1965, crop products (over half of which are made up of coffee, tea, and cocoa) accounted for about 85 percent of the total value of food imports and animal products for the remaining 15 percent. 6/ Products that are essentially noncompetitive with U. S. farm production (complementary) accounted for 45 percent of the total value of imports in 1965 and 55 percent were supplementary (table 11).

Food use accounted for about 57 percent of livestock products and about 90 percent of crop products imported last year. On the other hand, nonfood use represented 43 percent of livestock products and only 10 percent of crop products imported last year.

4/ Exports include outshipments to Territories.
5/ Omits imports and net stock changes.
6/ Quantities valued using 1957-59 farm prices, consistent with most other data in this article. Valued in terms of 1965 prices, crop products accounted for 79 percent of the total value of food imports and livestock products 21 percent (table 11).

The United States is a large exporter of nonfood crop products such as feed grains, cotton, and tobacco. However, imports of livestock products are small relative to imports of crop products and wool imports represented nearly half of total livestock imports in 1965.

Only about 3½ percent of total animal food products used in the United States last year was supplied by imports (table 12). This was a very small portion compared with imports of 30 percent of the direct food use of crop products (excluding indirect use through livestock). The percentage of animal products supplied by imports was about the same as in 1964, but was more than double the 1½-percent level of 1955. The proportions of U. S. food use supplied by imports increased significantly between 1964 and 1965 for honey, lamb, and pork. The importance of fishery products imports continued their long-term increase whereas beef and veal and mutton declined between 1964 and 1965. No significant change was noticed in dairy products and poultry and eggs.

Imports of red meat in 1965 declined about 6 percent (product weight) from the 1964 level. But, the decline was much less than that which occurred between 1963 and 1964. Beef and veal, the largest items, were down 12 percent. Mutton and lamb imports were down 8 percent. But pork imports--mostly canned hams from Europe and fresh pork from Canada--increased about 23 percent in response to relatively high U. S. prices. The turn in trend of meat imports between 1963 and 1964 was due primarily to increasing U. S. supplies and lower prices, particularly for beef, coupled with reduced supplies and higher prices in Europe. Beef imports to the United States last year were well below the level which would make quota restrictions operative, as provided under Public Law 88-482.

Although U. S. lamb consumption comes almost entirely from domestic sources--only about 2 percent of U. S. requirements were imported in 1965--U. S. mutton consumption has come largely from foreign sources since 1958. Imports of mutton, mostly from Australia, are used primarily in processed meats. Imports of mutton were about 4½ times as large as lamb imports in 1965.

The proportion of U. S. consumption of sugar and sirups from imports (including inshipments from Territories) has declined over the past decade, but increased between 1964 and 1965. 1/ U. S. sugar production has risen since quotas for domestic areas were increased under the U. S. Sugar Act, especially following the eliminations of imports from Cuba in July 1960.

1/ Beginning 1962, with the shift to a 50-State basis, Hawaiian production has been included with U. S. production rather than with imports. If Hawaiian production is excluded from imports prior to 1962, thereby making all years comparable, the proportion of sugar and sirups supplied by imports declines from 59.5 percent of U. S. consumption in 1955 to 44.5 percent in 1965. Later revision will begin the 50-State basis with 1960, the first full year with 50 States.

Foreign oils and oilseeds have become less important for U. S. food purposes since 1956. Moreover, most of the imported items are not grown in volume in this country. These include copra, coconut oil, olive oil, sesame, palm kernels, and palm oil. Of the principal oils and oilseeds produced domestically and used for food--soybeans, cottonseed, and peanuts--only a fraction of 1 percent is supplied by imports.

An analogous situation exists for treenuts: Over most of the past decade, a fourth to a third of total U. S. consumption was imported but the proportion dropped to a fifth of the total during the past 2 years. Imported treenuts consist largely of pignolias, pistachios, Brazil nuts, cashew nuts, and chestnuts, most of which are not grown in volume in the United States. Less than 3 percent of the U. S. use of domestically produced nuts (almonds, filberts, pecans, and walnuts) was imported in 1965.

Imports supplied about a third of total U. S. consumption of edible fishery products last year, a sharp gain from a decade ago. In addition, a substantial amount of fishery products was imported as raw materials for the domestic-processing industries. Taking these imports into account, about half the U. S. consumption was from foreign sources in 1965. U. S. production of fishery products has remained reasonably stable over this period but imports have risen steadily. Most imports are fresh or frozen though substantial amounts are canned. Shrimp is the most important fishery product imported, in dollar value. Tuna (both canned and frozen), groundfish, and lobster also are important imports. Imports of shellfish have accounted for much of the increase in total imports of fishery products in recent years.

Table 13.--Production of major food commodities, calendar years, selected periods, 1947-66 1/

Commodity	Unit	Average 1947-49	Average 1957-59	1963	1964	1965 preliminary	Preliminary indications for 1966 2/	1966 as a percentage of 1947-49	1966 as a percentage of 1957-59	1966 as a percentage of 1965
Meats (carcass weight) - Total	Mil.lb.	22,100	26,612	30,595	32,705	31,560	31,500	143	118	100
Beef	Mil.lb.	9,649	13,704	16,450	18,448	18,718	19,000	197	139	102
Veal	Mil.lb.	1,454	1,240	928	1,011	1,018	950	65	77	93
Lamb and mutton	Mil.lb.	716	711	770	715	651	600	84	84	92
Pork (excluding lard)	Mil.lb.	10,281	10,957	12,447	12,531	11,173	10,950	107	100	98
Poultry and eggs 3/										
Eggs	Mil.doz.	5,086	5,475	5,318	5,368	5,382	5,450	107	100	101
Chicken (ready-to-cook)	Mil.lb.	2,753	4,880	6,077	6,257	6,654	7,200	262	148	108
Turkey (ready-to-cook)	Mil.lb.	491	1,065	1,342	1,436	1,508	1,680	342	158	111
Dairy products										
Total milk	Bil.lb.	4/116.3	123.3	125.0	127.0	125.1	122.2	105	99	98
Cheese 5/	Mil.lb.	1,160	1,396	1,632	1,726	1,743	1,845	159	132	106
Condensed and evaporated milk	Mil.lb.	3,497	2,789	2,369	2,394	2,220	2,210	63	79	100
Ice cream (product weight)	Mil.lb.	2,758	3,212	3,444	3,531	3,614	3,700	134	115	102
Fats and oils - Total fat content 6/	Mil.lb.	7,627	11,070	13,684	14,053	14,219	14,600	191	132	103
Butter (actual weight)	Mil.lb.	1,611	1,477	1,453	1,468	1,357	1,165	72	79	86
Lard 7/	Mil.lb.	2,419	2,584	2,476	2,476	2,050	1,900	79	74	93
Margarine (actual weight)	Mil.lb.	839	1,549	1,794	1,857	1,904	2,035	243	131	107
Shortening	Mil.lb.	1,434	2,022	2,584	2,664	2,764	2,950	206	146	107
Other edible fats and oils 8/	Mil.lb.	3,912	7,297	10,038	10,395	11,077	11,750	300	161	106
Fruits										
Fresh:										
Citrus	Mil.lb.	8,783	6,695	4,852	5,688	6,400	6,850	78	102	107
Apples (commercial)	Mil.lb.	3,775	3,972	3,775	3,988	3,900	4,000	106	101	103
Other (excluding melons)	Mil.lb.	4,493	4,082	3,687	3,789	3,752	3,800	85	93	101
Processed:										
Canned fruit	Mil.lb.	2,597	3,591	4,371	5,424	4,657	5,300	204	148	114
Canned fruit juices	Mil.lb.	2,230	2,177	2,942	2,293	2,648	3,000	135	138	113
Frozen (including juice)	Mil.lb.	415	1,556	1,232	1,533	1,656	1,850	446	119	112
Dried	Mil.lb.	961	697	774	820	878	800	83	115	91
Vegetables 9/										
Fresh 10/	Mil.lb.	18,504	19,921	21,391	21,196	21,692	21,600	117	108	100
Canned	Mil.lb.	5,993	7,620	8,615	8,494	8,810	9,419	157	124	107
Frozen	Mil.lb.	439	1,183	1,455	1,507	1,627	1,700	387	144	104
Potatoes and sweetpotatoes										
Potatoes	Mil.cwt.	248	252	272	240	289	290	117	115	100
Frozen potato products	Mil.lb.	9	287	861	1,118	1,218	1,400	15,556	488	115
Sweetpotatoes	Mil.cwt.	25.3	18.2	15.8	15.3	18.0	17.1	68	94	95
Dry edible beans 11/	Mil.lb.	1,854	1,797	2,061	1,779	1,650	2,210	119	123	134
Dry field peas 11/	Mil.lb.	401	376	476	474	405	400	100	106	99
Melons 10/	Mil.lb.	4,061	4,454	4,742	4,292	4,490	4,500	111	101	100
Sugar, raw basis	1,000 tons	2,066	2,732	4,870	5,587	5,371	5,375	260	197	100
Grains										
Wheat	Mil.bu.	1,251	1,178	1,142	1,291	1,327	1,390	111	118	105
Rye	Mil.bu.	23.1	28.3	29.2	33.3	33.3	32.0	139	113	96
Rice, rough	Mil.cwt.	35.3	45.7	66.1	70.3	73.1	76.9	218	168	105
Corn, grain only	Mil.bu.	2,787	3,409	4,092	3,584	4,171	4,400	158	129	105
Oats	Mil.bu.	1,282	1,248	979	880	959	914	71	73	95
Barley	Mil.bu.	278	448	406	403	412	406	146	91	99
Peanuts, farmers' stock	Mil.lb.	2,128	1,613	2,022	2,205	2,503	12/	---	---	---

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated.
2/ Based on the best available information but subject to revision in line with later data from the Crop Reporting Board.
3/ Includes an allowance for nonfarm production.
4/ Includes an allowance for nonfarm production of 1.1 billion pounds in 1947-49.
5/ Excludes full skim, cottage, pot, and bakers' cheese.
6/ Includes butter, lard, and "other edible fats and oils."
7/ Includes amount used in manufactured food and nonfood products.
8/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils, oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items.
9/ Excludes potatoes and sweetpotatoes.
10/ Covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use.
11/ Cleaned basis.
12/ Not available.

Table 14.--Retail food price indexes and Consumer Price Index, selected periods

(Index, 1957-59=100)

Year and month	Food at home															Food away from home	All food	Consumer Price Index
	Meats			Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total			
	Beef and veal	Pork	Total 1/						Fresh	Processed	Total							
1935-39	36.5	43.2	37.8	68.7	28.9	60.3	45.9	65.4	37.3	50.2	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7
1947-49	86.8	92.8	86.7	132.5	86.4	122.7	88.3	117.9	78.4	88.6	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5
1950	97.0	87.8	91.4	126.1	89.0	104.7	84.7	94.2	76.6	81.7	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8
1951	113.3	93.1	103.6	132.1	101.6	127.4	94.5	110.3	83.1	92.4	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5
1952	112.4	92.1	102.6	132.6	99.0	116.3	98.5	93.5	96.6	91.0	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5
1953	88.6	102.5	95.8	129.3	95.3	123.2	96.8	93.9	91.1	93.2	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2
1954	85.3	105.7	95.3	116.7	95.8	103.1	93.7	98.9	89.3	92.6	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6
1955	84.4	91.0	87.7	121.5	93.9	106.5	93.6	95.9	91.0	93.4	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3
1956	83.1	86.4	84.8	106.5	93.8	105.9	96.0	98.0	96.3	96.3	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7
1957	89.2	99.5	94.2	103.8	95.0	100.9	98.8	102.4	97.0	94.2	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0
1958	103.8	106.1	104.9	102.6	101.6	106.1	100.3	101.2	104.0	100.8	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7
1959	106.9	94.4	101.0	93.5	103.4	92.9	101.0	96.5	99.1	105.0	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5
1960	104.2	93.8	99.2	95.0	103.5	100.1	103.2	92.1	105.2	101.4	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1
1961	102.5	98.2	100.5	85.8	105.8	100.1	104.8	98.6	103.5	105.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.2
1962	106.2	99.1	102.5	90.7	110.2	94.6	104.1	98.5	106.3	102.6	105.0	107.6	101.4	89.3	102.2	110.7	103.6	105.4
1963	105.0	96.6	100.9	89.3	110.0	96.0	103.8	95.7	112.6	108.3	111.0	109.1	110.1	90.4	103.5	113.2	105.1	106.7
1964 6/	101.9	96.1	99.4	87.3	107.4	95.0	104.7	95.4	119.2	110.8	115.3	109.6	115.5	101.4	104.7	115.2	106.4	108.1
Jan.	102.2	94.8	99.0	87.4	108.8	106.0	105.0	96.2	113.2	112.0	112.4	109.1	117.9	93.4	104.2	114.3	105.8	107.7
Feb.	102.2	94.7	99.0	87.1	108.5	101.4	104.8	95.9	115.6	112.2	113.9	109.0	118.3	95.7	104.4	114.4	106.0	107.6
Mar.	100.6	93.6	97.9	86.5	107.1	93.3	104.5	95.1	117.7	112.2	115.1	108.8	117.6	98.6	104.0	114.7	105.7	107.7
Apr.	100.5	93.3	97.7	85.7	107.1	90.8	104.1	95.4	118.6	112.5	115.7	108.8	117.0	101.0	103.9	114.9	105.7	107.8
May	99.7	92.8	97.3	85.7	106.9	85.3	103.9	95.0	119.0	111.9	115.7	108.9	116.6	102.4	103.7	115.0	105.5	107.8
June	99.0	93.5	97.2	87.5	106.5	83.3	104.0	94.6	127.4	111.4	120.2	109.2	115.5	103.4	104.4	115.1	106.2	108.0
July	101.4	97.2	99.5	89.1	106.5	87.9	104.3	95.0	131.4	111.1	122.3	109.2	114.3	103.8	105.7	115.2	107.2	108.3
Aug.	101.7	98.8	100.2	87.5	106.6	93.8	104.4	94.7	123.0	110.3	117.3	109.6	114.2	104.1	105.3	115.3	106.9	108.2
Sept.	105.1	102.7	103.0	87.7	106.4	104.9	104.6	94.7	114.5	109.6	112.2	109.9	114.0	103.7	105.6	115.5	107.2	108.4
Oct.	104.6	99.7	101.9	88.2	107.2	100.3	105.3	95.4	114.1	109.1	111.7	110.4	113.9	103.4	105.3	115.7	106.9	108.5
Nov.	103.3	96.9	100.4	87.8	108.0	98.5	105.3	96.1	116.4	109.0	113.0	110.7	113.7	103.4	105.1	115.9	106.8	108.7
Dec.	102.9	95.4	99.8	87.9	108.7	94.9	105.6	97.6	119.4	108.6	114.5	111.0	113.4	103.4	105.1	116.0	106.9	108.8
1965	106.8	109.4	106.9	90.0	110.6	92.8	105.0	102.9	121.7	107.3	115.2	111.2	113.5	100.6	107.2	117.8	108.8	109.9
Jan.	103.1	96.2	100.1	86.7	109.3	91.6	105.6	100.7	115.7	108.6	112.4	111.1	113.5	103.3	104.8	116.1	106.6	108.9
Feb.	102.4	97.0	100.0	89.2	110.1	86.1	105.2	102.2	118.2	107.5	113.3	110.7	113.3	103.0	104.8	116.3	106.6	108.9
Mar.	102.6	97.4	100.3	88.9	109.9	83.5	105.0	102.5	122.2	106.9	115.3	110.9	113.6	101.5	105.0	116.5	106.9	109.0
Apr.	102.6	97.5	100.4	89.0	110.1	88.6	104.5	103.4	126.4	106.7	117.6	111.0	113.7	100.4	105.5	116.8	107.3	109.3
May	103.9	98.6	101.3	87.4	110.3	87.5	104.2	103.6	133.5	106.2	121.4	110.8	113.7	99.8	106.2	116.9	107.9	109.6
June	109.6	108.9	108.0	93.5	110.4	83.9	104.0	103.9	141.6	105.8	125.9	111.0	113.9	100.2	108.8	117.2	110.1	110.1
July	110.9	117.2	111.6	93.0	110.8	87.2	104.3	103.5	138.6	106.1	124.3	111.1	113.8	100.2	109.7	117.6	110.9	110.2
Aug.	110.1	119.9	112.5	92.3	111.1	90.5	105.0	103.3	121.2	106.4	114.6	111.1	113.9	100.4	108.6	118.2	110.1	110.0
Sept.	109.8	119.9	112.5	92.0	111.0	98.6	105.3	103.1	110.2	106.7	108.5	111.3	113.8	100.1	108.0	118.8	109.7	110.2
Oct.	109.1	118.8	111.8	89.5	111.1	103.5	105.5	103.0	109.7	107.4	108.5	111.3	113.8	99.8	107.8	119.2	109.7	110.4
Nov.	108.3	118.3	111.3	89.5	111.3	102.6	105.8	102.9	111.2	108.8	109.9	111.4	112.4	99.5	107.8	119.6	109.7	110.6
Dec.	108.9	122.8	113.3	89.4	111.5	109.6	106.1	102.8	112.2	110.0	111.0	112.2	112.0	99.5	108.9	119.9	110.6	111.0
1966																		
Jan.	109.4	130.9	116.6	90.2	112.0	105.0	106.6	103.4	112.5	110.3	111.3	113.0	111.0	99.2	109.8	120.4	111.4	111.0
Feb.	111.4	133.2	118.8	97.5	113.1	109.1	107.0	103.9	121.5	110.6	116.5	113.2	110.6	99.2	111.8	120.8	113.1	111.6
Mar.	113.9	131.7	119.8	99.2	114.7	108.5	108.1	105.4	122.8	110.8	117.4	113.6	110.8	99.3	112.6	121.2	113.9	112.0
Apr.																		
May																		
June																		
July																		
Aug.																		
Sept.																		
Oct.																		
Nov.																		
Dec.																		

1/ Beef, veal, lamb and mutton, pork, and processed meat.
2/ Chicken only prior to 1964.
3/ Includes butter.
4/ Excludes butter.
5/ Data not collected prior to 1953.
6/ Revised beginning January 1964. Item selection and quantity weights reflect the buying pattern of wage earners and clerical workers in 1960-61 and for the first time include single person families. Series are linked at December 1963. The averages for fats and oils after December 1963 are computed by Economic Research Service using data for items additional to those in the CPI.

Bureau of Labor Statistics.

U. S. Department of Agriculture
Washington, D. C. 20250.

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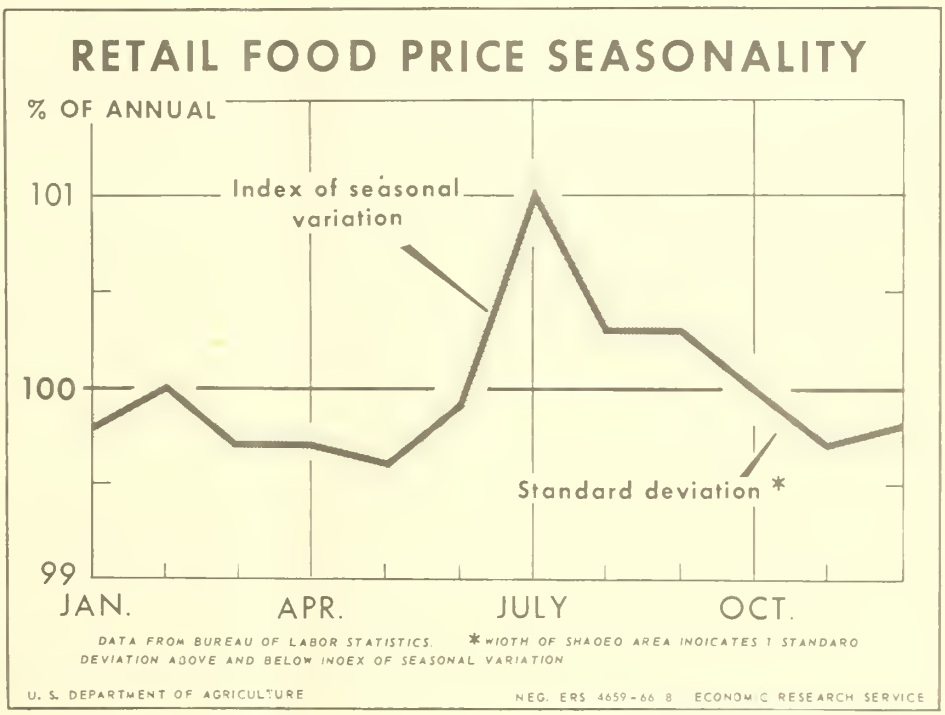
NATIONAL FOOD SITUATION

NFS-117 For Release August 15, A. M. AUGUST 1966

Since January 1966, the Bureau of Labor Statistics has reported food price indexes both on a seasonally adjusted and unadjusted basis. The seasonal factors used to adjust food price indexes show that food prices typically reach their high point of the year in July. The seasonal increase of 1.1 percent from June is the largest monthly change within the year. After July, prices usually decline seasonally into the fall months. November prices typically are 1.3 percent lower than the July high. These changes are much greater than twice the estimated standard deviation of the seasonal factors of about 0.15 percent. (See page 30 for special article.)



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Food Expenditures, 1960-61 p. 37

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ECONOMIC RESEARCH SERVICE • U. S. DEPARTMENT OF AGRICULTURE

Table 1.--Volume of farm marketings and home consumption 1/

(Index numbers, 1957-59=100)

Item	1947-49 average	1959	1960	1961	1962	1963	1964	1965	1966 Indications 2/	1966 as a percentage of 1947-49	1966 as a percentage of 1965
Marketings and home consumption of all farm commodities	86	104	107	108	109	114	116	117	117	136	100
Food marketings and home consumption	87	103	104	107	107	111	113	115	115	132	100
Food marketings	82	103	105	109	109	113	116	117	118	144	101
Total food livestock 3/	79	103	104	108	110	114	118	118	118	149	100
Meat animals	81	103	105	108	110	116	121	120	120	148	100
Poultry and eggs	66	105	105	113	113	116	120	124	131	198	106
Dairy products	84	100	102	106	107	107	109	108	107	127	99
Total food crops 4/	98	105	108	110	107	110	110	116	118	120	102
Food grains 5/	102	106	117	114	102	111	108	118	123	121	104
Vegetables 6/	91	103	104	109	110	110	108	110	110	121	100
Fruit and nuts 7/	92	106	99	103	107	101	106	112	112	122	100
Sugar crops	78	105	105	115	117	152	155	145	153	196	106
Home consumption	161	94	87	81	75	73	67	61	61	38	100
Livestock	159	93	82	75	73	69	64	58	58	36	100
Crops	168	97	98	94	80	83	74	70	69	41	99
Nonfood marketings 8/	82	109	114	110	116	125	124	123	121	148	98

1/ Quantities of farm products weighted by average 1957-59 farm prices since 1955, 1947-49 prices in earlier years. Excludes Alaska and Hawaii. 2/ Indications for 1966 are based on calendar-year quantities estimated as of July 1, 1966. 3/ Includes honey. 4/ In addition to the crops listed below, includes peanuts, peppermint, popcorn, and spearmint. 5/ Wheat, rye, rice, and buckwheat. 6/ Truck crops for fresh use and processing, potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans, and melons 1955 to date. 7/ Except peanuts and, beginning 1955, melons. 8/ There are no nonfood items in the home consumption index.

Table 2.--Food consumption per capita 1/

(Index, 1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy, excluding butter	Fats and oils, including butter	Fruits 2/ Fresh	Fruits 2/ Processed	Fruits 2/ Total	Vegetables 3/ Fresh	Vegetables 3/ Processed	Vegetables 3/ Total	Potatoes and sweetpotatoes	Cereal products	Sugar and sweeteners	Coffee, tea, and cocoa	All food Animal products	All food Crops 4/	All food Total
1910	96	49	107	82	70	101	148	14	80	114	24	85	208	149	54	65	87.2	87.0	86.9
1920	90	45	113	81	80	91	154	31	92	119	30	90	163	129	63	79	85.4	87.7	86.2
1930	85	52	97	89	83	113	145	35	89	126	47	100	138	131	85	81	86.3	95.7	89.9
1940	93	52	102	86	87	115	153	57	105	130	57	107	127	120	86	101	91.0	100.7	94.8
1941	94	56	108	84	90	116	161	53	107	129	61	107	134	121	94	104	92.3	103.6	96.7
1942	93	63	84	84	96	112	137	52	94	134	67	112	136	122	83	86	93.5	99.2	95.6
1943	98	78	75	92	96	97	122	45	84	139	61	114	137	135	77	81	96.2	98.7	97.0
1944	103	70	84	94	98	96	146	45	95	147	61	119	145	124	84	96	98.4	103.0	100.1
1945	97	76	94	107	104	91	144	57	101	150	74	126	129	130	69	100	99.4	104.0	101.0
1946	102	70	101	101	110	91	144	78	111	139	83	121	128	128	74	122	101.6	106.6	103.5
1947	102	64	96	104	104	97	149	67	108	127	76	111	126	115	94	108	100.0	103.8	101.4
1948	95	63	101	106	100	95	138	69	104	125	72	108	105	114	89	112	96.0	101.7	98.1
1949	95	67	102	105	99	98	135	73	104	118	75	104	109	113	91	115	96.1	101.5	98.1
1950	95	73	111	108	99	104	120	79	100	114	81	104	105	112	101	103	97.6	102.5	99.4
1951	90	77	106	109	99	94	125	78	102	111	84	103	105	115	94	105	95.8	100.8	97.6
1952	95	80	105	109	100	97	120	88	104	108	88	103	95	113	98	105	98.1	102.1	99.5
1953	102	79	103	106	99	98	113	90	102	106	91	102	100	110	97	107	100.0	101.6	100.5
1954	101	84	104	105	100	102	108	91	101	104	90	100	100	108	99	95	100.2	100.9	100.4
1955	106	79	97	104	101	103	102	98	100	104	96	102	101	102	100	96	101.7	100.4	101.1
1956	108	88	98	103	102	101	103	100	102	103	98	102	97	101	101	101	103.6	100.6	102.3
1957	102	94	97	102	101	99	101	103	102	102	98	101	98	99	98	100	100.6	99.6	100.2
1958	97	101	98	99	100	100	98	97	97	99	101	100	97	101	101	98	98.5	99.4	98.9
1959	101	105	105	99	100	101	101	100	101	98	101	99	105	100	101	102	100.9	101.0	101.0
1960 5/	102	102	102	94	99	99	98	104	101	100	102	100	109	99	102	101	99.9	101.6	100.7
1961 5/	101	112	102	91	97	99	95	102	98	99	102	100	110	98	102	102	99.6	101.1	100.3
1962 5/	102	110	102	91	97	99	90	106	98	96	107	99	114	97	103	104	99.9	101.1	100.4
1963 5/	105	112	101	89	98	100	82	97	89	96	107	99	119	97	102	106	101.2	100.8	101.1
1964 5/	108	115	99	88	98	103	88	92	90	95	109	99	122	99	103	103	102.8	101.4	102.2
1965 5/ 6/	104	121	104	87	98	103	88	98	93	95	112	100	121	100	104	100	101.0	102.1	101.5
1966 5/ 7/	103	129	103	86	98	102	90	99	94	95	110	99	127	99	104	101	101.0	102.9	101.9

1/ Civilian consumption, beginning 1941. Individual food items are combined in terms of 1947-49 retail prices through 1954, 1957-59 retail prices thereafter; indexes are linked at 1955. 2/ Excluding melons and baby food. 3/ Excluding soups, baby food, dry beans and peas, potatoes, and sweetpotatoes. 4/ Including melons, dry beans and peas, nuts, soups, and baby food in addition to groups shown separately. 5/ Incorporates data for Alaska and Hawaii. 6/ Preliminary. 7/ Preliminary indication.

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, August 5, 1966

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SUMMARY

Food expenditures in second quarter 1966 totaled $91 billion, seasonally adjusted annual rate, 7 percent above a year earlier. For the year, total food expenditures are expected to total 6 to 7 percent above the 1965 level of $85.4 billion ($439 per capita).

Food expenditures in second quarter 1966 amounted to 18.2 percent of disposable income of $500 billion, down from 18.4 percent in second quarter 1965. But, the average percentage of income going for food in 1966 likely will remain near last year's percentage of 18.2.

Retail food prices in second quarter 1966 averaged 5 percent above a year earlier. Prices for livestock products were up 10 percent and for crop products up only half of 1 percent. All major livestock product groups shared in the price advance, but pork led with an increase of 21 percent above a year earlier. Among the crops, sharply lower prices for potatoes this year helped offset higher prices for vegetable oils, processed fruits and vegetables, and cereal and bakery products.

Per capita food consumption this year is expected to average slightly above 1965, with all of the increase probably occurring during the last half year. Meat production is in process of turning upward; milk and egg production each are gaining on year-earlier levels; and supplies of processed fruits and vegetables this fall are expected to top year-earlier levels. For the year, per capita red meat consumption likely will be near that of 1965 and poultry meat up noticeably. Per capita dairy product and egg consumption likely will be down slightly. Per capita consumption of total foods from crops is expected to be above 1965, with large increases in prospect for potatoes and citrus fruit.

Demand for food in coming months likely will remain strong: Incomes are expected to continue increasing, military food use is rising, and export demand is strong. Despite the expected increase in food supplies, retail prices likely will remain relatively firm. Some decline in average retail food prices is anticipated from the summer peak that probably was reached in July. Slightly lower average retail prices by the fourth quarter are expected to reflect lower average prices received by farmers for food products and reduced wholesale prices for processed foods.

Special Articles

The Bureau of Labor Statistics began publishing price indexes on a seasonally adjusted basis in January 1966. Seasonal adjustment factors for food indicate that prices typically reach their high point in July, advancing 1.1 percent from June. Then, retail food prices usually decline 1.2 percent seasonally by December (see page 30).

The 1960-61 Survey of Consumer Expenditures showed that family food expenditures averaged $404 per capita, including the value of home-produced food and food received without expense. About 19 percent of this total was spent for food away from home. Analysis of cross-sectional data from the survey, by family income groups, showed that average per capita food expenditures increased 0.4 percent for every 1-percent increase in per capita income (see page 37).

Per capita consumption of food products made from corn and oats have trended upward since 1954, but the use of barley in food products has remained about stable. The increased use of corn in recent years has been due largely to increases in consumption of corn sugar and sirup (see page 27).

FOOD EXPENDITURES

Rise In Expenditures Slowed In Second Quarter

Preliminary estimates of food expenditures for second quarter 1966 indicate a 1-percent rise over the first quarter to $90.4 billion, seasonally adjusted annual rate. This rate is down from the 2-percent rise experienced from fourth quarter 1965 to first quarter 1966, but $7\frac{1}{2}$ percent above second quarter 1965. The second-quarter increase about matched the increase in retail food prices.

Retail food store sales in the second quarter were up an estimated $1\frac{1}{2}$-2 percent above first quarter 1966, seasonally adjusted. April sales were up 10 percent and May up 8 percent over the same months in 1965. First quarter sales were up nearly 10 percent from a year earlier. Sales by eating and drinking places have been running slightly stronger than food store sales; in January-May they averaged 11 percent above a year earlier.

The slowup in rate of increase in food expenditures closely matched changes in the quarterly rate of increase in disposable personal income. The indicated second quarter rate of $499.7 billion, annual rate, was 1 percent above the first quarter rate. This was the smallest rate of quarterly increase since the first and second quarters of 1963, and only about half the $9.0 billion increase that occurred from fourth quarter 1965 to first quarter 1966. All of the second quarter increase was offset by price increases.

Continued Gains Likely

Food expenditures (not including alcoholic beverages) in 1966 are expected to total $90-$91 billion, up $5 to $6 billion from the 1965 total of $85.4 billion. This increase compares with a $5.1-billion, 6.3-percent, increase from 1964 to 1965.

In 1965, expenditures for food and alcoholic beverages totaled $98.4 billion, up 6 percent from a year earlier. Expenditures for alcoholic beverages of $12.9 billion were up 4 percent from 1964. Food and alcoholic beverages purchased for off-premise consumption (roughly nine-tenths food) totaled $76.2 billion, up nearly 6 percent from a year earlier. Expenditures for purchased meals and beverages (roughly three-fourths food) amounted to $19.9 billion, an increase of over 7 percent from 1964. Meals and beverage sales made up 20 percent of total food and beverage expenditures in 1965. Remaining food and beverage expenditures shown by the Department of Commerce totaled $2.2 billion in 1965. These expenditures were for food furnished commercial and Government employees (including the military), up 5 percent over 1964, and food consumed on farms where produced, down 14 percent.

Percent of Consumer's Dollar
Spent For Food

The proportion of the consumer's dollar spent for food has shown a long-term decline since 1950 (fig. 1). In 1965, 18.2 percent of consumer disposable income was spent for food compared to 22.2 percent in 1950. Although the decline has been fairly steady over this period, some leveling has occurred since 1964. For the first 2 quarters of 1966, 18.2 percent of the consumer dollar was spent for food, the same percentage as the average for 1965. Expected easing in food prices in the last half of 1966 may result in a smaller increase for the year for food expenditures than for disposable income.

In 1965, 16.5 percent of consumer disposable income was spent by U. S. civilians for foods originating on U. S. farms, down from 21.3 percent in 1950 (fig. 1). 1/ About 33 percent of these expenditures represented returns to farmers and 67 percent accrued to marketing and processing agencies between the farmer and the final purchaser. The farm value amounted to 5.4 percent of disposable income in 1965 compared with 11.1 percent for the total marketing bill. The proportion of disposable income going for the marketing bill edged down from 12.6 percent in 1950. The drop in the proportion representing the farm value was much greater; it declined from 8.7 percent of disposable income in 1950 to 5.4 percent in 1965.

1/ This expenditure series recently has been revised by ERS; see the August issue of The Marketing and Transportation Situation for revised data. The Department of Commerce estimate of food expenditures, totaling $85.4 billion in 1965, includes the value of imported foods, seafoods, home-produced food, and food furnished the military forces but excludes meals charged as a business expense, food furnished without specific charge by hospitals, institutions, camps, and transportation companies, and food distributed by Government agencies. The ERS series, totaling $77.6 billion in 1965, implicitly includes the value of the food items omitted by Commerce; both exclude alcoholic beverages.

RETAIL FOOD PRICES

Second Quarter Retail Prices Up

Retail food prices averaged higher in second quarter 1966, reaching a new high of 113.9 (1957-59=100). Food prices were up about 1 percent from first quarter 1966 and 5 percent from a year earlier (table 3). The entire Consumer Price Index averaged 112.6 in the second quarter, up 1 percent from the first quarter and up 3 percent from a year earlier.

Retail food prices were the same in June as in March (not adjusted for seasonality) but nonfood prices have continued to advance (tables 4, and 17 p. 49). All items less food increased 1.1 percent between March and June but steady food prices dampened the March-June increase in the Consumer Price Index to 0.8 percent. Retail prices for all major nonfood groups increased between March and June: Prices for shelter were up 1.6 percent due mostly to a 2.0 percent increase for homeownership; prices for fuel and utilities, household furnishings and operation, apparel and upkeep, transportation, health and recreation, and total services each were up 0.7 to 1.6 percent between March and June.

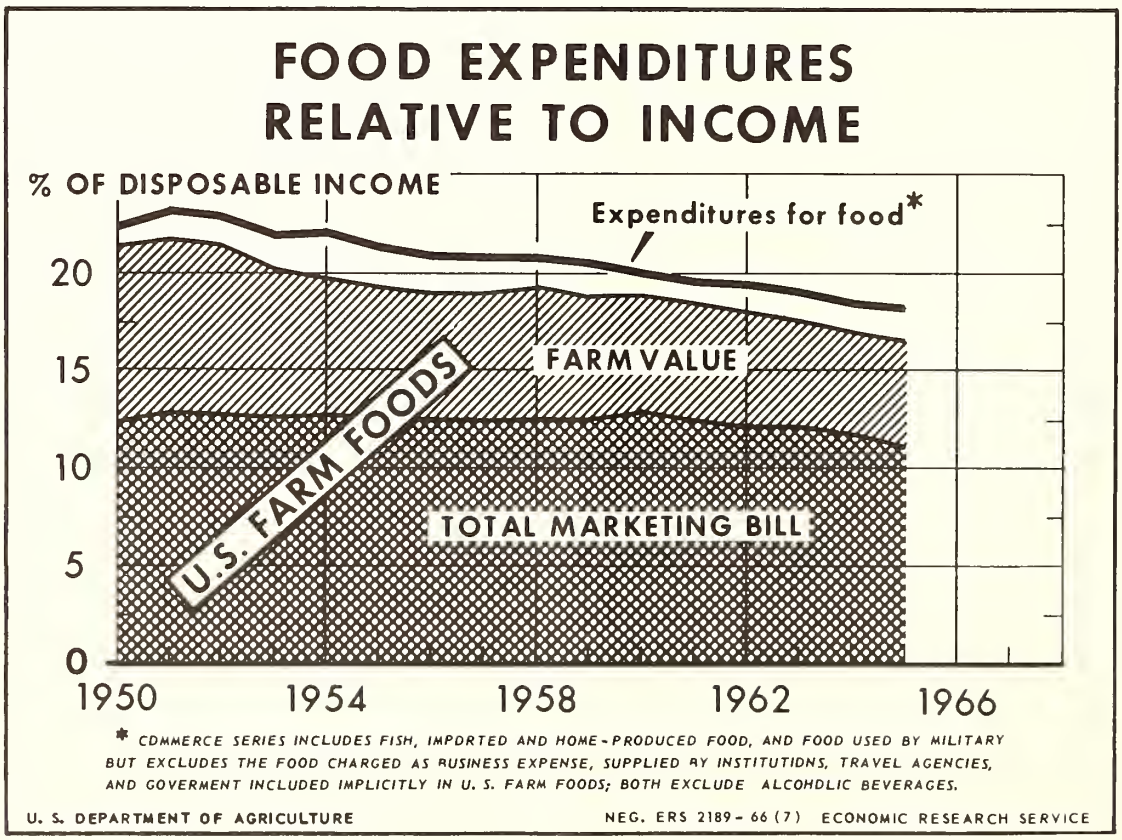
FOOD EXPENDITURES
RELATIVE TO INCOME
% OF DISPOSABLE INCOME
Expenditures for food*
20
15
10
5
0
FARM VALUE
U.S. FARM FOODS
TOTAL MARKETING BILL
1950
1954
1958
1962
1966
* COMMERCE SERIES INCLUDES FISH, IMPORTED AND HOME-PRODUCED FOOD, AND FOOD USED BY MILITARY BUT EXCLUDES THE FOOD CHARGED AS BUSINESS EXPENSE, SUPPLIED BY INSTITUTIONS, TRAVEL AGENCIES, AND GOVERMENT INCLUDED IMPLICITLY IN U. S. FARM FOODS; BOTH EXCLUDE ALCOHOLIC BEVERAGES.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 2189-66 (7) ECONOMIC RESEARCH SERVICE

Figure 1

Table 3.--Food and farm product prices, 1964-66

(Index, 1957-59=100)

Item	1964	1965					1966		
		I	II	III	IV	Year	I	II	
								Index	Percent change over 1965 II
Retail food prices									
Food at home	104.7	104.9	106.8	108.8	108.2	107.2	111.4	112.3	5.2
Food away from home	115.2	116.3	117.0	118.2	119.6	117.8	120.8	122.2	4.4
All food	106.4	106.7	108.4	110.2	110.0	108.8	112.8	113.8	5.0
Wholesale Prices									
Farm products	94.3	94.3	98.8	99.5	100.9	98.4	106.2	105.0	6.3
Processed foods	101.0	102.0	103.9	106.7	108.0	105.1	111.3	110.5	6.4
All food 1/	100.8	101.4	104.1	105.4	107.0	104.5	110.3	109.4	5.1
Prices Received by Farmers									
Crops	106	105	110	102	99	104	103	107	-2.7
Livestock and products	91	93	99	105	108	101	117	111	12.1
Total	98	98	104	104	104	102	110	109	4.8
Market Basket of U.S. Farm Foods									
Retail cost	103.2	103.2	105.7	108.0	107.2	106.1	111.0	111.5	5.5
Farm-retail spread	107.7	106.4	105.7	108.1	105.9	106.6	107.6	110.4	4.4
Farm value	96.4	98.7	105.7	108.0	109.3	105.4	116.2	113.1	7.0

1/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from farm product group.

Table 4.--Retail price indexes; January-June 1966
(1957-59=100)

Year and month	Food					All items less food	Consumer Price Index
	Food at home		Food away from home	Total			
	Unadjusted	Seasonally adjusted	Unadjusted	Unadjusted	Seasonally adjusted		
1966							
January	109.8	110.0	120.4	111.4	111.6	111.1	111.0
February	111.8	111.8	120.8	113.1	113.1	111.3	111.6
March	112.6	112.9	121.2	113.9	114.2	111.6	112.0
April	112.7	113.2	121.6	114.0	114.3	112.2	112.5
May	112.0	112.6	122.2	113.5	114.0	112.5	112.6
June	112.3	112.4	122.8	113.9	114.0	112.8	112.9

Bureau of Labor Statistics

On a seasonally adjusted basis, food prices in June average 114.0 (1957-59=100), steady with May, and down from 114.3 in April (table 4). 1/ Since prices for food away from home continued to advance, prices for food at home in June averaged 112.4, down from 113.2 in April on a seasonally adjusted basis.

Average retail food prices in the second quarter rose slightly from the first quarter despite a small decline both in average prices received by farmers and wholesale food prices (table 3). Nevertheless, prices received by farmers and wholesale food prices in second quarter 1966 each averaged 5 percent above a year earlier, the same as the increase at retail.

Food Prices Expected to Weaken

Retail food prices probably advanced to a seasonal high in July (data not available), but are expected to work lower in coming months. By December, average retail food prices are expected to be down 1 to 2 percent from the July peak. On a seasonally adjusted basis, the high point reached in April may be the high for the year for food at home.

1/ Also, see "Seasonally Adjusted Retail Food Price Indexes," page 30.

Prices received by farmers and wholesale prices of food products on the average are expected to decline during the last half year, despite prospects for strong demand for certain products. Increases in supplies of many important foods in coming months are expected to be larger than usual. Farmers currently are expanding meat supplies; milk production is expected to gain on year-earlier levels; and supplies of potatoes and processed fruits and vegetables are expected to total above a year earlier.

All of the decline in retail food prices in the last half of 1966 is expected to be concentrated in prices for food purchased in food stores. Prices for food away from home are expected to continue to trend upward. In second quarter 1966, prices of food away from home averaged 4 percent above a year earlier, slightly less than the increase for food at home.

Despite the decline from current levels in total food prices expected later this year, food prices for the year likely will average around 4 percent above 1965 (fig. 2). Prices in the first half year averaged nearly 6 percent above a year earlier. In the second half year, prices likely will average 2 or 3 percent above a year earlier.

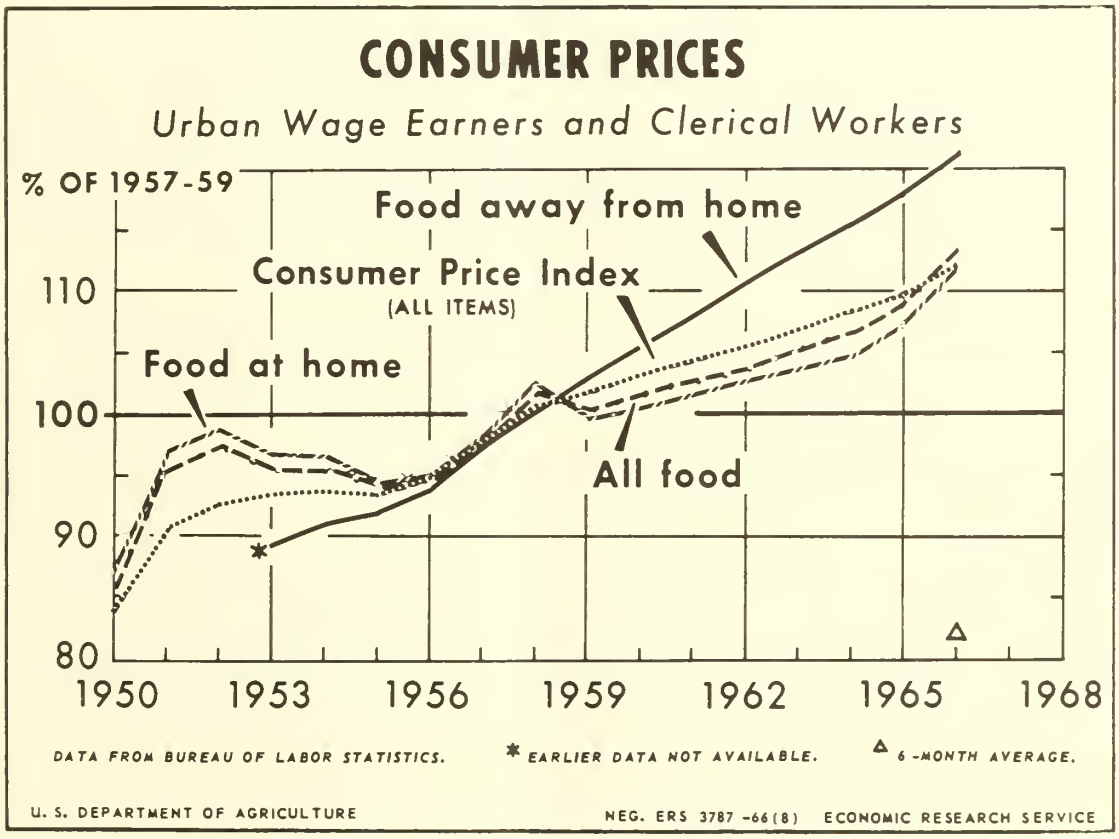

Figure 2

Animal Product Prices to Decline

Most of the retail price strength for foods in first half 1966 was for animal products; prices for these products averaged 11 percent above the first six months of a year earlier. Meat prices were up 16 percent; poultry meat prices, 8 percent; egg prices, 18 percent; and dairy product prices, 3 percent (fig. 3). Animal product prices likely are averaging about the same in the third quarter as in the second, but are expected to decline noticeably by the fourth quarter.

Pork prices in the second quarter averaged 21 percent above a year earlier since supplies continued to remain relatively low. The current step-up in pork supplies is expected to result in substantially lower prices by the fourth quarter. Prices for fresh pork products are expected to decline more rapidly than for processed products such as canned ham and bacon.

Beef prices in the second quarter averaged 8 percent above a year earlier. They are expected to hold near current levels in the second half year despite continued heavier supplies. However, by the end of the year beef prices likely will be only slightly above a year earlier. Beef and pork prices likely will return to a more usual relationship in the fall.

Retail prices for poultry meat have remained relatively high in view of the large increase in supplies this year. However, since red meat supplies are expected to increase in the second half year, poultry meat prices likely will decline substantially from current levels. Although poultry meat prices in second quarter 1966 were 8 percent above a year earlier, they remained relatively low compared with prices for other meats; second quarter prices averaged 2 percent below the average in 1957-59. In contrast, red meat prices were up 13 percent.

Fish prices, particularly for shrimp and canned tuna, also were relatively strong during the first half year when meat supplies were low. Some decline in the second half year is anticipated. Egg prices in the first half of 1966 were well above a year earlier when prices were unusually low. Prices in the third quarter are strengthening seasonally, but by the fourth quarter are expected to be below current levels and well below a year earlier.

Dairy product price increased during the second quarter because milk production has been running 3 to 6 percent below a year earlier since January. Prices for fresh milk, butter, and cheese have been particularly strong. Prices this fall may continue upward slightly as production declines seasonally, even though production is expected to approach year-earlier levels later in the year.

Crop Product Prices Steady

Retail prices for foods from crops in first half 1966 averaged only half of 1 percent above a year earlier. Higher prices for vegetable oils, processed fruits and vegetables, and cereal and bakery products were nearly offset by sharply lower prices for potatoes and slightly lower prices for citrus fruits, coffee, and cocoa products.

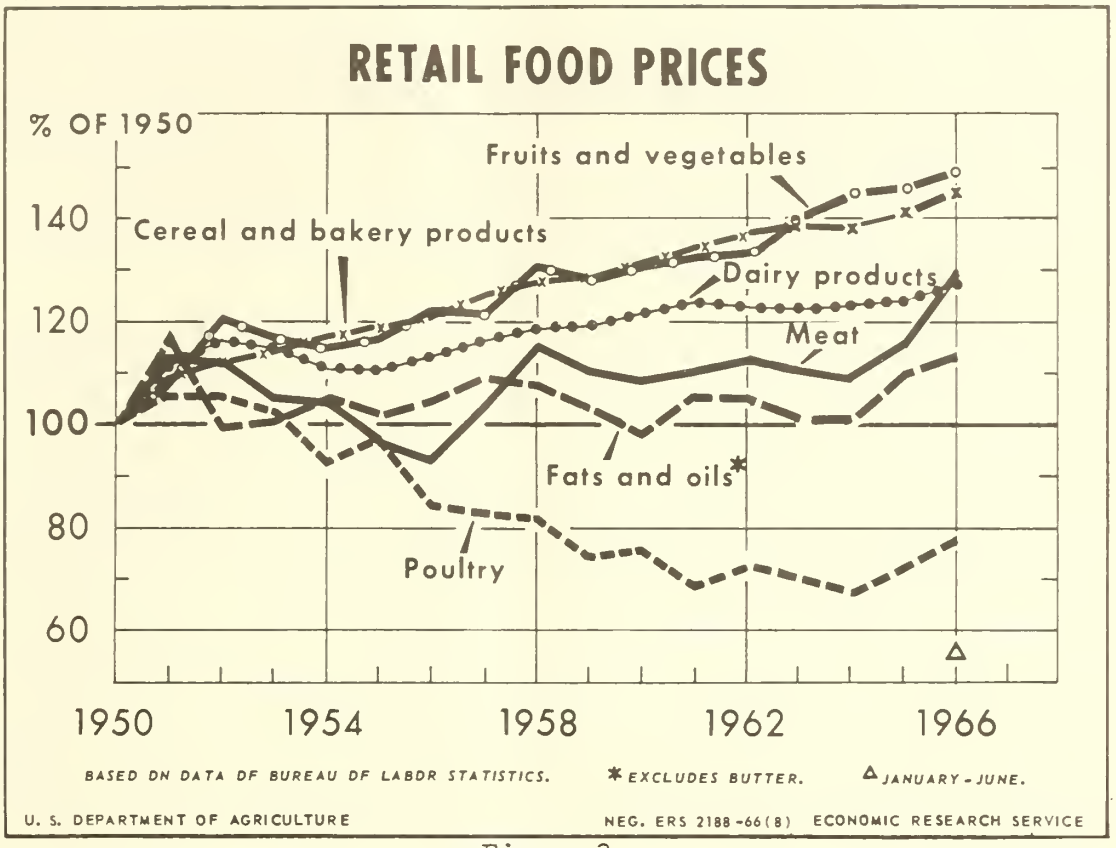

Figure 3

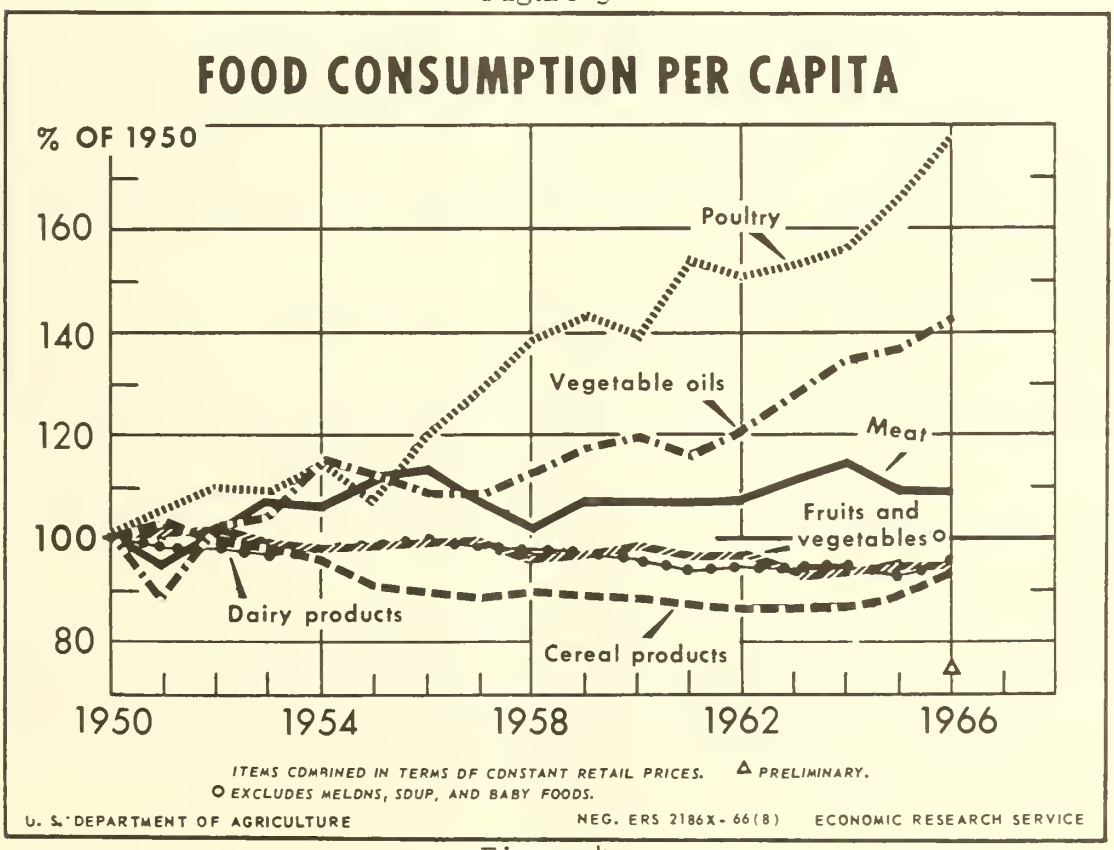

Figure 4

Recently announced increases in wholesale prices for flour have been accompanied by increased prices for bread and other bakery products. For the year, average prices for cereal and bakery products likely will increase at about twice the average rate in postwar years (fig.3). Retail prices for sugar in the second quarter averaged 2 percent above a year earlier. Although sugar prices have increased slightly in the last 2 years, they have not increased as much as the average for all foods. Prices in the second half of this year are expected to remain relatively stable.

Prices for most fats and oils have increased this year. Increased prices have been particularly noticeable for butter and salad and cooking oils, primarily because of the increase in cottonseed and soybean oil prices.

Fruit and vegetable prices in the second quarter averaged 1 percent below a year earlier; fresh fruits and processed fruits and vegetables were higher but fresh vegetable and potato prices were lower. Citrus fruit supplies this year are much larger than a year earlier, and prices have been relatively low except for frozen orange juice concentrate. Fresh citrus prices this summer are averaging near year-earlier levels, but prices for apples and several other deciduous fruits are higher. Total supplies of processed fruits and vegetables have been relatively small so far this year because of the reduced pack last fall. Fresh vegetable prices in coming weeks likely will average below the relatively high levels of early summer, although above the levels of a year earlier. Prices for processed vegetables later in the year are expected to decline from current levels and to be down from a year earlier because of increased supplies.

Potato prices in second quarter 1966 averaged a third lower than a year earlier when prices were unusually high. An anticipated larger crop this fall means that retail prices likely will decline further and remain relatively favorable to consumers. Since a large crop of dry beans is indicated, prices for dry and canned beans are expected to decline well below relatively high levels during the first half year. Sweetpotato prices this fall and winter likely will be higher than the relatively low prices of a year earlier.

FOOD PRICE CHANGES--U. S. AND FOREIGN

Although retail food and average consumer prices in the United States have risen gradually since 1958, the rates of increase have been much less than those in most other countries. Between 1958 and 1965, retail food prices in the United States increased 7 percent, slightly less than the increase for the entire Consumer Price Index which rose by 9 percent (table 5).1/

1/ Food prices are a major component of the CPI. Average expenditures for food take a smaller share of total private consumption expenditures in the United States than in any other major country of the world for which data are available. Therefore, food is given less weight in the CPI in the United States (23 percent) than in other countries. See "Food Around the World," National Food Situation, NFS-115, February 1966, table 13.

Table 5.--Retail food price indexes, selected countries, 1959-65, and Consumer Price Index 1965 1/

(1958=100)

Region and country	Food price index							Consumer price index, 1965
	1959	1960	1961	1962	1963	1964	1965	
North America								
Canada	99	100	102	103	107	108	111	111
United States	98	100	101	102	103	104	107	109
South America								
Argentina (Buenos Aires)	233	286	313	402	494	627	802	771
Brazil (São Paulo)	144	208	280	442	736	1,445	2,169	2,048
Dominican Republic (St. Domingo)	99	97	89	96	107	111	110	110
Ecuador (Quito)	98	99	104	107	115	122	126	123
Honduras (Tegucigalpa)	99	92	94	95	100	105	108	113
Jamaica (Kingston)	103	105	112	112	112	114	118	123
Mexico (Mexico City)	101	105	106	107	107	109	114	2/118
Panama (Panama City)	99	100	101	101	3/101	3/106	3/106	3/103
Peru (Lima and Callao)	116	129	4/108	4/114	4/123	4/138	4/164	4/156
Trinidad and Tobago	103	105	106	110	113	113	116	116
Puerto Rico	103	107	111	113	117	120	124	117
Venezuela (Caracas)	100	102	102	99	102	104	108	109
Western Europe								
Austria	100	102	104	111	115	119	127	125
Belgium	101	101	102	104	106	111	117	2/115
Denmark	104	105	108	117	124	127	137	2/134
Finland	101	105	107	112	117	132	140	135
France 5/	103	106	110	117	105	109	111	111
Greece 6/	100	102	104	103	109	110	115	110
Ireland	100	98	102	104	105	112	119	123
Italy 7/	98	99	99	103	112	117	124	129
Netherlands	101	103	104	109	115	122	129	126
Norway	103	101	104	111	113	123	127	125
Portugal (Lisbon)	102	105	104	106	109	116	120	118
Spain	107	108	110	119	131	137	159	155
Sweden	101	107	110	120	126	131	139	125
Switzerland	98	99	100	106	110	112	---	---
United Kingdom	101	100	102	3/100	3/102	3/105	3/109	3/121
West Germany	8/102	102	104	108	111	114	119	118
Eastern Europe								
Czechoslovakia	98	96	96	98	98	98	---	---
Hungary (Budapest)	97	99	100	102	100	100	103	102
Poland	103	107	108	113	112	113	116	110
Yugoslavia	101	108	119	137	150	173	241	211
Africa								
Ghana (Accra)	103	102	109	119	124	144	---	---
Morocco (Casablanca)	100	106	108	114	121	128	133	129
South Africa 9/	100	102	104	103	105	109	116	114
Tunisia (Tunis)	97	94	98	3/100	3/102	3/107	3/115	3/114
United Arab Republic (Cairo)	101	102	103	103	105	111	139	118
Asia								
Ceylon (Columbo)	99	95	94	95	97	101	101	107
China (Taiwan)	112	138	143	139	142	146	149	147
India	105	106	106	110	114	131	145	2/143
Israel	101	103	110	117	122	124	135	146
Japan	101	104	111	120	131	134	148	142
Oceania								
Australia	103	109	112	109	109	113	120	116
New Zealand	101	102	103	104	106	112	115	119
Philippines (Manila)	96	102	105	113	124	140	140	133

1/ Compiled from Monthly Bulletin of Statistics, May 1966, Statistical Office of the United Nations. 2/ Excluding rent. 3/ 1962=100. 4/ 1960=100.Food index includes fuel for 1959 and 1960. 5/ Paris only 1959-62; all France thereafter, 1962=100. 6/ 1959=100. 7/ Food price includes tobacco. 8/ Excluding Saar. 9/ White population.

The increase in food prices in the United States contrasted sharply with price increases in Argentina and Brazil, two countries that experienced hyperinflation. Since 1958, food price increases in Argentina (up 700 percent) and Brazil (up 2,000 percent) outpaced the rise in their CPI's and were far above those reported by any other country. Other countries which experienced substantial food price increases included Yugoslavia, Spain, China-Taiwan, Japan, India, Philippines, Finland, and Sweden.

Countries with only slightly more of an increase in their food prices than the United States since 1958 included Honduras, Venezuela, Dominican Republic, Canada, and France. At least three countries--Ceylon, Hungary, and Czechoslovakia--reported a slower rise in food prices than the United States. Over the 1958-65 period, food prices increased only 1 percent in Ceylon and 3 percent in Hungary; Czechoslovakia reported a 2-percent drop between 1958 and 1964.

FOOD SUPPLIES AND CONSUMPTION

Per capita food consumption this year is expected to total as much or slightly more than in 1965 and to approach the high level of 1964 (table 2). 1/ Per capita consumption of total animal products is expected to average the same as last year, but consumption of food from crops is likely to be up nearly 1 percent. Consumption of crop products this year is expected to total about 3 percent per capita above the average for 1957-59, whereas consumption of total animal products likely will be up only about 1 percent.

The food supply was relatively tight in the first half of 1966 but promises to be more plentiful in the second half. Increasing output of meat, poultry, eggs, potatoes, and processed fruits and vegetables is in prospect.

Livestock Product Consumption Increasing

Meat consumption in the second half of 1966 is expected to be above the first half and above a year earlier. For the year, meat consumption is expected to total nearly the same as last year's 167 pounds (carcass weight) per capita (table 6). An increase in beef consumption of about 1 pound per capita is likely to be about offset by a decrease of 1 pound for pork. Meat supplies are now expected to be somewhat more abundant than anticipated earlier this year. Pork consumption, relatively low during the past year, is expected to increase considerably by the fourth quarter. Beef consumption, reflecting an 11-percent increase in cattle on feed July 1, also is expected to increase in the second half year.

Poultry meat consumption this year is running strongly ahead of 1965. Both chicken and turkey are experiencing rapid gains. Although consumption late in the year may drop closer to year-earlier levels, hatchery reports

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1/ Value of foods using constant retail prices in 1957-59.

Table 6--Civilian per capita consumption of major food commodities, primary distribution weight, and civilian population, selected periods, 1947-66 1/

Commodity	Average 1947-49	Average 1957-59	1963	1964	1965 Preliminary	Preliminary estimates for 1966	1966 as a percentage of 1947-49	1966 as a percentage of 1957-59	1966 as a percentage of 1965
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent	Percent	Percent
Meats (carcass weight) - Total	148.5	156.6	169.5	174.5	166.9	166.3	112	106	100
Beef	65.6	82.1	94.3	99.7	99.3	100.3	153	122	101
Veal	9.7	7.1	4.9	5.2	5.2	4.8	49	68	92
Lamb and mutton	4.8	4.4	4.9	4.2	3.7	3.6	75	82	97
Pork (excluding lard)	68.4	63.0	65.4	65.4	58.7	57.6	84	91	98
Fish (edible weight) - Total	10.7	10.5	10.7	10.5	11.0	10.9	102	104	99
Fresh and frozen	5.9	5.7	5.8	5.9	6.1	2/	---	---	---
Canned 3/	4.2	4.2	4.4	4.1	4.4	2/	---	---	---
Cured	.6	.6	.5	.5	.5	2/	---	---	---
Poultry products									
Eggs (farm basis) - Number	385	356	316	313	308	306	79	86	99
Chicken (ready-to-cook)	18.7	27.5	30.8	31.2	33.3	35.6	190	129	107
Turkey (ready-to-cook)	3.3	6.0	6.7	7.2	7.4	7.8	236	130	105
Dairy products									
Total milk fat solids	29.5	25.6	23.3	23.3	22.9	22.3	76	87	97
Total nonfat milk solids	42.9	43.8	41.6	41.7	41.1	40.8	95	93	99
Cheese	7.0	7.9	9.2	9.5	9.4	9.6	137	122	102
Condensed and evaporated milk	20.1	14.8	11.6	11.3	10.8	10.3	51	70	95
Fluid milk and cream	359	335	307	305	302	300	84	90	99
Ice cream (product weight)	18.7	18.4	18.0	18.2	18.4	18.6	99	101	101
Fats and oils - Total, fat content 4/	42.4	45.3	46.3	47.5	47.6	47.6	112	105	100
Butter (actual weight)	10.6	8.2	6.8	6.8	6.5	5.9	56	72	91
Margarine (actual weight)	5.6	8.9	9.6	9.7	9.9	10.6	189	119	107
Lard	12.4	9.3	6.4	6.3	6.4	5.8	47	62	91
Shortening	9.6	11.4	13.5	13.7	13.9	14.7	153	129	106
Other edible fats and oils	7.3	10.8	13.1	14.1	14.2	14.1	193	131	99
Fruits									
Fresh (farm weight) - Total	132.8	95.7	76.1	81.8	82.9	84.1	63	88	101
Citrus	54.8	33.5	22.1	26.1	28.9	30.6	56	91	106
Apples (commercial)	25.5	21.6	18.4	20.1	18.4	18.2	71	84	99
Other (excluding melons)	52.5	40.6	35.6	35.6	35.6	35.3	67	87	99
Processed:									
Canned fruit	18.9	22.5	23.1	23.3	23.6	22.4	119	100	95
Canned juice	15.9	13.5	12.9	11.4	11.1	11.8	74	87	106
Frozen (including juices)	3.2	8.6	8.0	7.4	8.5	8.4	262	98	99
Dried	3.9	3.3	3.0	3.0	3.1	3.1	79	94	100
Vegetables									
Fresh 5/	120.5	104.3	103.2	100.8	100.4	100.6	83	96	100
Canned, excluding potatoes and sweetpotatoes	38.5	43.0	45.0	44.5	45.5	44.3	115	103	97
Frozen, excluding potatoes	2.8	6.6	7.4	8.0	8.5	8.5	304	129	100
Potatoes and sweetpotatoes									
Potatoes, fresh equivalent 6/	113.8	106.8	112.1	110.3	103.1	110.1	97	103	107
Frozen potatoes, product weight	7/	1.6	4.5	5.8	5.7	6.6	---	412	116
Sweetpotatoes, fresh equivalent 6/	13.0	8.3	7.4	6.8	6.8	7.3	56	88	107
Dry edible beans	6.7	7.7	7.7	7.7	6.8	7.6	113	99	112
Melons	27.4	25.1	24.7	23.2	23.9	22.9	84	91	96
Sugar (refined)	95.2	96.1	96.6	96.5	96.5	96.5	101	100	100
Grains									
Corn products: Cornmeal and flour	12.9	7.4	5.9	5.8	5.7	5.7	44	77	100
Corn sirup	9.9	9.4	11.5	12.3	13.6	13.8	139	147	101
Corn sugar	4.2	3.6	4.5	4.4	4.5	4.5	107	125	100
Oat food products	3.3	3.5	3.7	3.7	3.7	3.7	112	106	100
Wheat: Flour 8/	137	120	116	116	116	116	85	97	100
Breakfast cereals	3.2	2.8	2.9	2.9	2.9	2.9	91	104	100
Rye flour	1.4	1.2	1.1	1.1	1.1	1.1	79	92	100
Rice, milled	4.9	5.4	6.6	7.0	7.6	7.6	155	141	100
Other									
Coffee (green beans)	18.2	15.7	15.7	15.4	14.9	14.9	82	95	100
Tea	.58	.60	.67	.69	.69	.70	121	117	101
Cocoa beans	4.0	3.5	3.9	3.9	4.0	4.1	102	117	102
Peanuts (shelled)	4.4	4.6	5.0	5.1	5.3	2/	---	---	---
	Million	Million	Million	Million	Million	Million			
Civilian population 9/	145.1	171.5	186.7	189.4	191.9	193.8	134	113	101

1/ Quantity in pounds except for eggs which are stated in number. Data on calendar year basis except for dried fruits, which are on pack year basis, fresh citrus fruits and peanuts on a crop year basis, and rice on August 1 year. All years begin in the year indicated except for fresh citrus, which begins in October of the previous year, and rice, which begins in August of previous year. 2/ Not available. 3/ Excludes canned food products containing small quantities of fish, such as clam chowder. 4/ Computed from unrounded data. 5/ Covers total commercial production for sale as fresh, both for shipment to distant markets and for local markets. Excludes farm garden output for farm household use. 6/ Includes quantities canned and frozen. 7/ Less than 0.05 pound. 8/ Includes white, whole wheat, and semolina flour. 9/ Census estimates of July 1 civilian population (50 States beginning 1960). Used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

indicate that broiler supplies will remain above a year earlier throughout the year. An increase of 2 to 3 pounds per capita is expected in broiler meat consumption this year (fig. 4).

Egg production in first half 1966 was down 1½ percent from a year earlier. But producers are enlarging replacement flocks; so fourth quarter egg production is expected to exceed a year earlier. For the year, per capita consumption of eggs is expected to be down slightly from the 308 eggs consumed in 1965, about in line with the postwar downtrend.

Milk production was about 3½ percent below a year earlier in second quarter 1966 due to fewer cows than a year earlier and a smaller than usual increase in output per cow. Production in coming months is expected to move closer to year-earlier levels, but to total below that in 1965 (table 16 p. 48). With storage stocks at relatively low levels prices are expected to remain strong. Imports of dairy products this year are expected to be above 1965 and to total about 2 percent of U. S. production (milk equivalent basis). Per capita butter consumption this year likely will be about 10 percent below the 6.5 pounds in 1965. The drop is occurring mostly because short supplies curtailed USDA donations to school lunch and welfare programs. Fluid milk and evaporated milk are expected to be down slightly this year. But, gains are taking place for cheese and ice cream. Although USDA donations of butter and cheese are down substantially from last year, domestic commercial disappearance of milk in all dairy products likely will hold near year-earlier levels.

Consumption of Foods from Crops Increasing

Even though per capita consumption of animal fats--mostly butter and lard--is declining, consumption of total food fats this year is expected to total about the same as last year's 47½ pounds (fat content). Increased consumption of margarine is expected about to offset the decline for butter. Consumption of shortening also is increasing considerably, but consumption of other edible fats and oils is remaining about steady.

Consumption of fresh citrus fruit this year is increasing again from a year earlier. Although per capita consumption has increased each year since 1963, it remains below the 1957-59 level. Fresh citrus supplies this summer are expected about to equal those of last year. Supplies of canned citrus juices likely will continue substantially above a year earlier, except for frozen orange juice concentrate. Moderately smaller total supplies of fruits are in prospect for the remainder of 1966, due to production declines resulting from unfavorable weather this spring. Declines are expected for apples, grapes, and sour cherries. However, supplies of some fruits important in processing--primarily peaches and pears--are expected to be larger than a year earlier.

Seasonally abundant supplies of fresh vegetables are in prospect in coming weeks. Acreage of vegetables for processing is up nearly a tenth this year over 1965, with increases indicated for all major commodities. Although part of the expected pack increase likely will be offset by small beginning stocks, total supplies for the coming season probably will be moderately larger than last season. Per capita consumption of canned vegetables in 1966 is expected to total a little less than in 1965, but consumption of frozen vegetables probably will be about the same.

The acreage of fall crop potatoes is up 5 percent over 1965 and the largest since 1949. With larger supplies, potato consumption this year likely will be up substantially from the low 1965 level of 103 pounds (fresh equivalent). Fresh use is expected to be up moderately from last year's low level; continued slight gains are likely for processed potatoes, including frozen, chips, and dehydrated potato products.

Sweetpotato production this year is down substantially from last year's large crop. But, consumption for the year is expected to total above 1965 as a result of a large carryover from the 1965 crop. A large new crop of dry beans is expected this fall following last year's sharply reduced crop. Bean consumption in 1966 likely will total above that of 1965, with most of the gain occurring late in the year from the new crop.

Consumption of most remaining major food groups, cereal and bakery products, coffee, and sugar, is remaining about the same as in 1965. But consumption of chocolate and other cocoa products is increasing this year. Although wheat production this year is declining from 1965 and exports are up substantially, food consumption is expected to remain about the same as the 116 pounds of wheat flour and 3 pounds of wheat breakfast cereals per capita in 1965. Increased demands have been met by a decrease in carryover stocks.

Military Food Use

Increased intensity of U. S. military commitments resulted in increased food procurement by the U. S. Armed Forces during 1965 (table 7). Total food procurement in 1966 probably will be somewhat higher than in 1965, but the increase likely will be less than that from 1964 to 1965. Even with the recent increase in food procurement, military food use represented only slightly over 2 percent of U. S. total food use in 1965 (table 8). The expected increase in 1966 likely will amount to only a fraction of 1 percent of total U. S. food use, not enough to reduce civilian per capita supplies for the year.

The total value of food procurement increased from $781 million in 1964 to $1,031 million in 1965. Value of procurement by quarters in 1965 increased from $191 million in the first quarter to $333 million in the fourth quarter. Procurement declined to $247 million in first quarter 1966, but remained $56 million higher than a year earlier.

Table 7.--Military food procurement, selected periods, 1964-66 1/

Item	1964	1965					1966	
		I	II	III	IV	Year	I	II 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Meat: 3/								
Beef and veal	528	130	151	160	157	598	160	124
Pork	196	54	55	62	70	241	61	41
Other	3	1	1	1	1	4	1	1
Fish 4/	23	6	6	6	6	24	7	4
Chicken and turkey 5/	123	28	32	36	38	134	34	59
Eggs 6/	120	32	38	29	48	147	38	67
Dairy products 7/	117	30	34	37	35	136	32	21
Fats and oils 8/	87	25	28	27	38	119	20	38
Fruits:								
Fresh	186	43	45	38	47	173	46	28
Processed	231	38	55	141	125	359	59	50
Vegetables:								
Fresh 9/	694	165	190	150	250	755	215	154
Processed	306	65	68	114	215	462	58	39
Cereal products:								
Wheat flour 10/	164	47	51	31	67	196	56	42
Other cereal products	28	6	10	10	13	39	6	5
Sugar and sirups 11/	140	47	30	56	38	171	56	33
Beverages 12/	53	14	15	16	21	66	16	8
Value of central procurement 13/ (million of dollars)	$781	$191	$243	$262	$334	$1,030	$246	$189
Percent of total quantity of food use in the U.S. 14/	1.9	---	---	---	---	2.1	---	15/2.3

1/ Centrally procured items only; excludes quantities purchased for post exchanges and commissaries. Data in terms of product weight unless otherwise indicated.
2/ April-May only.
3/ Carcass weight basis.
4/ Major fish and shellfish items only.
5/ Ready-to-cook basis.
6/ Shell equivalent.
7/ Centrally procured manufactured dairy products only plus USDA donations of butter and cheese. Excludes fluid milk and cream, cottage cheese, and frozen desserts which are normally purchased locally in places other than the immediate area of the subsistence supply centers.
8/ Includes salad dressing, mayonnaise, and peanut butter; excludes butter.
9/ Includes potatoes and sweetpotatoes. Dehydrated onions and potatoes are converted to fresh weight equivalent.
10/ Includes wheat flour equivalent of centrally procured bakery and cereal products.
11/ Excludes sweeteners in manufactured products.
12/ Coffee, green bean basis; tea, leaf basis; and beverage cocoa.
13/ Includes minor amounts of non-food products and food items other than those listed above.
14/ Estimate of total military consumption; derived from data in table 8.
15/ Preliminary indication for calendar year 1966.

Based primarily on data from the U.S. Department of Defense, Defense Personnel Support Center, Philadelphia, Pa.

Supply-Use of Farm Commodities

Per capita food consumption appears to be gaining slightly this year; military food use is increasing; use of feed is up significantly; and exports of farm commodities are considerably above a year earlier (table 8). In face of these strong demands, total new supplies this year are expected to be down slightly from 1965. Livestock output is in process of increasing, stimulating the demand for feed, but current crop prospects point to some production decline for the year. A small increase in imports is helping to offset the relatively tight supply situation for some commodities. Use of previously large carryover stocks is meeting the balance of the increased demand.

Total marketings of farm food commodities were larger in January-May 1966 than a year earlier because of the large output of crops in 1965. Despite some possible reduction in crop output in 1966, total food marketings for the year may slightly exceed those of 1965 (table 1).

With reduced production of dairy products and strong demand for meat, imports of pork, beef, lamb and mutton, and dairy products this year are gaining over the relatively low level in 1965. 2/ In turn, exports of animal products are declining, especially for dairy products. The foreign trade picture for crop products differs sharply from that for livestock products. Strong demands by both commercial customers and Food For Peace recipients, principally India, are resulting in increased exports of wheat, corn, other feed grains, and soybeans and oilseeds. Cotton exports also are gaining from the relatively low level of 1965. Crop imports are increasing slightly, mostly as the result of an increase for coffee. Sugar imports are increasing slightly, but imports of cocoa products are declining and other major crops are maintaining about the same level as in 1965.

Carryover stocks at the end of 1966 likely will be down significantly from the beginning of the year. The overall decline is expected roughly to match the 5-percent drop experienced during 1964. Most of the decline is centered in crop products, particularly wheat, feed grains, and cotton. Total year-end stocks likely will be at the lowest level since 1959, but they are expected to remain above the 1957-59 average and will be ample to meet commercial demands.

COFFEE SITUATION

Current Situation

Retail coffee prices for the first 6 months of 1966 were slightly below a year earlier (tbale 9). The price of canned coffee declined generally between September 1964 and December 1965, but thereafter gradually climbed to 83.2 cents in June of this year. Roasted coffee, in pound bags, averaged 69.9 cents in June 1966, only four-tenths of a cent above the March price which

2/ See "The Importance of Imports as a Source of Food," National Food Situation, NFS-116 (May 1966), pp. 37-41.

Table 8.--Supply-utilization of total farm commodities: Indexes by component and relationship of components to total annual net utilization, 1950-66 1/

Year	Supply			Utilization					
	Net production 2/	Net imports 3/	Stocks 4/	Total annual net utilization	Domestic use				Exports and shipments 7/
					Food		Net nonfood 6/	Total	
					Civilian	Military 5/			
	A.--Index, 1957-59=100 8/								
1950	84.4	93.0	77.8	87.3	86.4	108.1	113.2	90.1	66.0
1951	84.9	89.8	77.1	89.8	85.9	214.4	109.5	90.9	81.3
1952	90.3	89.2	72.5	89.0	88.9	160.2	102.0	91.6	69.3
1953	92.6	92.8	77.8	90.0	91.3	149.2	104.2	93.8	61.3
1954	94.0	82.7	85.0	90.7	92.7	125.2	96.1	93.6	69.0
1955	97.6	89.5	91.2	94.7	96.3	111.0	102.7	97.3	75.2
1956	99.9	93.1	97.2	100.1	99.3	112.4	105.3	100.3	98.5
1957	97.9	92.7	98.6	100.1	98.9	101.6	97.9	98.8	110.0
1958	101.1	95.7	97.1	97.9	98.8	99.9	96.7	98.5	92.8
1959	101.0	111.6	104.3	102.0	102.3	98.5	105.4	102.7	97.2
1960	105.9	106.3	107.6	105.7	103.5	94.2	102.8	103.3	123.9
1961	104.6	112.6	111.3	107.5	105.6	104.0	103.0	105.3	124.6
1962	107.0	115.3	110.9	108.9	107.2	108.3	106.9	107.2	121.9
1963	111.6	115.8	112.6	112.5	110.1	107.2	104.7	109.4	135.8
1964	112.5	104.9	115.3	117.3	112.7	115.5	108.4	112.2	155.8
1965 9/	117.0	106.7	109.6	116.5	112.7	130.3	113.6	113.1	142.1
1966 10/	114.5	112.4	112.0	119.2	113.6	142.0	116.7	114.6	154.0
	B.--Percentage of total annual net utilization 11/								
1950	87.3	12.4	0.3	100.0	75.2	1.7	14.2	91.1	8.9
1951	85.4	11.6	3.0	100.0	72.7	3.4	13.3	89.4	10.6
1952	91.6	11.6	-3.2	100.0	75.8	2.5	12.5	90.8	9.2
1953	92.9	12.0	-4.9	100.0	77.0	2.3	12.7	92.0	8.0
1954	93.5	10.6	-4.1	100.0	77.5	2.0	11.6	91.1	8.9
1955	93.0	11.0	-4.0	100.0	77.1	1.7	11.9	90.7	9.3
1956	90.1	10.8	-.9	100.0	75.3	1.6	11.5	88.4	11.6
1957	88.4	10.7	.9	100.0	75.0	1.4	10.7	87.1	12.9
1958	93.2	11.4	-4.6	100.0	76.6	1.5	10.8	88.9	11.1
1959	89.4	12.7	-2.1	100.0	76.1	1.4	11.3	88.8	11.2
1960	90.5	11.6	-2.1	100.0	74.4	1.2	10.6	86.2	13.8
1961	87.8	12.1	.1	100.0	74.5	1.4	10.5	86.4	13.6
1962	88.7	12.3	-1.0	100.0	74.7	1.4	10.7	86.8	13.2
1963	89.6	11.9	-1.5	100.0	74.3	1.3	10.2	85.8	14.2
1964	86.6	10.4	3.0	100.0	72.9	1.4	10.1	84.4	15.6
1965 9/	90.7	10.6	-1.3	100.0	73.4	1.6	10.7	85.7	14.3
1966 10/	86.7	10.9	2.4	100.0	72.4	1.7	10.7	84.8	15.2

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis since 1962.

2/ Livestock production excludes change in live animal inventory; generally comprises marketings and home consumption.

3/ Includes inshipments from U. S. Territories.

4/ Farm, commercial, and Government program holdings; excludes live animal inventory. Section A: Derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes; negatives indicate stock increases; positives signify withdrawals.

5/ Includes civilian feeding in occupied areas.

6/ Excludes feed and seed.

7/ Includes shipments to U. S. Territories.

8/ Data beginning 1924 were published in National Food Situation, NFS-112, May 1965.

9/ Preliminary.

10/ Preliminary estimate.

11/ Data beginning 1924 were published in National Food Situation, NFS, 111, February 1965.

was the lowest since March 1964 (65.1 cents). The retail price of instant coffee, in 6 oz. jars, was 92.5 cents in June 1966--2.8 percent below the 1965 average and 13.3 percent below the 1964 average.

Wholesale prices for Santos #4 (Arabica) and Ambriz #2AA (Robusta), 2 important coffees declined overall since early 1964. Although prices for Ambriz #2AA have declined overall from a recent high of 42.2 cents in January 1964 to 34.5 cents in June 1965, they are up about 5 cents from a year earlier. Prices of Santos #4 have declined persistently--from 50.5 cents in March 1964 to 41.0 cents in June 1966.

Imports of green coffee into the United States in the first 3 months of 1966 were up sharply from a year earlier, when labor problems delayed shipping, but they were slightly below those of 2 years earlier: green coffee (in bags of 60 kilos).

Year	Stocks (end of March)	Imports (First quarter)	Roastings (First quarter)
1964	4,366,000	6,423,000	6,645,000
1965	3,066,000	4,203,000	5,401,000
1966	3,173,000	6,224,000	5,657,000

Data are from Bureau of Census.

The volume of green coffee roasted in the United States was up 5 percent over the comparable period of 1965, but down 15 percent from that roasted in January-March 1964. U. S. stocks of green coffee, totaling 3,173,000 bags at the end of March 1966, were up sharply from a year earlier, but 27 percent lower than those on hand at end of March 1964.

Outlook for 1966

The total world coffee crop for 1965-66, 80.6 million bags, surpassed the previous record crop of 78.9 million bags in 1959-60. However, total exportable production (production minus domestic consumption) is estimated to be less in 1965-66 than in 1959-60 because of increased consumption in the producing countries. The first estimate by the Foreign Agriculture Service for the 1966-67 world crop is for total production of 71.5 million bags, of which 56.0 million bags are estimated to be exportable compared with 65.6 in the previous year. The lower crop estimate for next year is due primarily to an expected reduction in Brazil.

Since 1946, when it reached an all-time high of 20.1 pounds, U. S. per capita consumption of coffee has declined irregularly to 14.9 pounds (green bean equivalent) in 1965. Total per capita coffee consumption declined by 10.2 percent since 1951. Regular coffee consumption declined 22.0 percent while instant more than tripled (table 10). Per capita consumption, which fell a half pound between 1964 and 1965, is not expected to decline further in 1966. Both imports and roastings are expected to remain above a year earlier during the last half year.

Table 9.--Average U.S. Retail Prices of Coffee

Month	Roasted pound cans			Roasted pound bag			Instant 6 oz. jars		
	1964	1965	1966	1964	1965	1966	1964	1965	1966
	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.
Jan.	71.1	84.6	82.2	58.1	72.3	69.8	94.4	107.1	90.1
Feb.	74.1	84.3	82.3	60.6	72.3	69.8	99.1	106.4	89.8
Mar.	78.3	83.9	82.5	65.1	72.2	69.5	104.3	98.5	89.7
Apr.	80.9	83.8	82.8	70.0	71.7	69.7	107.9	91.8	91.0
May	82.4	83.3	83.0	72.2	71.1	69.6	109.9	90.3	91.7
June	83.9	83.2	83.2	72.7	71.4	69.9	110.7	92.1	92.5
July	84.4	83.4		72.9	70.7		110.3	92.8	
Aug.	84.9	83.5		73.3	71.8		110.2	93.4	
Sept.	84.9	82.9		72.2	70.9		109.9	93.7	
Oct.	84.6	82.7		72.9	70.1		108.1	92.9	
Nov.	84.9	82.1		72.2	69.3		107.9	92.5	
Dec.	84.8	82.1		71.6	69.9		108.1	91.3	
Average	81.6	83.3		69.5	71.1		106.7	95.2	

Bureau of Labor Statistics

Table 10.--Per Capita Coffee Consumption, 1946-65
(Green bean equivalent)

Year	Total	Regular	Instant
	Pounds	Pounds	Pounds
1946	20.1	20.1	---
1947	17.4	17.4	---
1948	18.4	18.4	---
1949	18.7	18.7	---
1950	16.1	16.1	---
1951	16.6	15.9	0.7
1952	16.9	16.1	.8
1953	16.9	15.8	1.1
1954	14.7	13.0	1.7
1955	15.3	13.4	1.9
1956	15.8	13.3	2.5
1957	15.7	13.1	2.6
1958	15.5	12.8	2.7
1959	15.9	13.1	2.8
1960	15.8	12.9	2.9
1961	15.8	13.0	2.8
1962	15.9	13.1	2.8
1963	15.7	13.0	2.7
1964	15.4	12.9	2.5
1965	14.9	12.4	2.5

Primarily because of the large supplies available from the record 1965-66 world coffee crop, the 1966 average wholesale price of Santos #4 is expected to be below the previous year's average. The price of Ambriz #2AA, however, may be slightly above the 1965 average because of the strong demand for this less-expensive variety of coffee. Retail coffee prices this year are expected to average below those for 1965, with a larger decline for instant than for regular coffee.

COCOA SITUATION

Current Situation

Wholesale cocoa bean prices, responding to lower world cocoa production and record-high U. S. grindings, continued to strengthen throughout the first half of 1966. The July average price of New York "spot" Accra was 27.2 cents per pound, up from 22.6 cents in January. Prices in July 1965 averaged 11.8 cents per pound, a postwar low.

The latest 1965-66 estimates for the world cocoa bean crop center around 1.25 million metric tons, down approximately 17 percent from the record 1964-65 harvest of 1.51 million tons. Despite the rather sharp fall in production, the 1965-66 crop was still the second largest on record.

World cocoa bean grindings, estimated to approximate 1.4 million tons in 1966, are expected to result in a substantial reduction in world stocks. U. S. cocoa bean grindings for second quarter 1966 were 72,212 tons, up 9 percent over second quarter 1965, but 10 percent below fourth quarter 1965. Fourth-quarter grindings are traditionally high due to holiday demand for chocolate products; total U. S. grindings in 1965 were 284,787 tons. Although U. S. grindings have increased sharply, U. S. stocks have increased slightly because cocoa bean imports thus far this year are again substantial.

Reflecting exceptionally low cocoa bean prices, U. S. imports in 1965 amounted to a record of 360,097 tons valued at $120.5 million, compared with 270,760 tons at $130.8 million in 1964. As most of the 1965-66 world cocoa crop was sold forward at low prices, U. S. cocoa bean imports for the first 5 months of 1966 remained relatively high at 226,552 tons valued at $75.6 million. This compares with 161,363 tons valued at $62.1 million for the first half of 1965.

U. N. Developments

The United Nations Cocoa Negotiating Conference met in New York from May 23 to June 23 of this year. Though no international agreement for cocoa was established, it was agreed that a suitable agreement should contain provisions relating to quotas, buffer stock mechanism, price range, regular income for the buffer stock, and diversion of structural surpluses of cocoa to non-conventional uses. The main points of disagreement were financing and operations of the buffer stock and the minimum price level. The U. S. Cocoa Negotiating Conference may be reconvened this fall.

SWEETENER SITUATION

Sweetener supplies generally appear relatively abundant for the remainder of 1966. Domestic sugar prices at all market levels averaged about 13 to 17 cents per cwt. higher during first half 1966 than in first half 1965. Sugar prices at all market levels probably will average slightly higher in second half of 1966 than in second half 1965. Corn sweetener prices have increased less in the last 18 months than sugar prices and noncaloric sweetener prices have declined.

Sugar

Refined sugar deliveries of 4,472,000 tons (refined basis) for the first 6 months of 1966 were up 4 percent over the first half of 1965. Cane sugar deliveries of 3,198,000 tons for the first half of 1966 were 5 percent more than for the comparable period of 1965, with beet sugar deliveries of about 1,274,000 tons for both periods. Total sugar consumption in 1966 is expected to approximate 96.5 pounds per capita (refined basis).

On June 1, the Department of Agriculture declared a deficit of 410,000 tons (raw value) in the sugar quota for Puerto Rico and 5,000 tons in the Virgin Islands quota. The current 1966 Puerto Rican quota is 730,000 tons and for the Virgin Islands, 10,000 tons. In recent years, Puerto Rico has been unable to supply enough sugar to fill its quota, due largely to smaller acreage resulting from changing economic conditions. Also, a decrease in the sucrose content of cane resulted in lower sugar recovery.

During July, the U. S. Department of Agriculture in two separate administrative actions increased U. S. sugar requirements by 225,000 tons (raw value), to 10,225,000 tons. The second action increased the quota for Hawaii by 26,753 tons; all of the remainder of the increase in U. S. consumption requirements from both actions was prorated to foreign suppliers. Domestic sugar prices have shown little change following these recent actions.

Prices of raw sugar sold in the world market (for export to countries other than the United States) averaged 2.13 cents per pound in the first 6 months of 1966, down from 2.33 cents in first half 1965. These prices were well below U. S. raw sugar prices (New York) that averaged 6.89 cents per pound (including duty and freight costs of about 0.96 cents) in first half 1966, up from 6.72 cents a year earlier. Chicago-West price quotations for refined wholesale beet sugar averaged 9.32 cents per pound in first half 1966, compared with 10.29 cents for refined cane sugar in the Northeast. The U. S. average retail price for first half 1966 (5-pound package) was 11.95 cents per pound, up from 11.79 cents for the same period a year ago.

The July Crop Production Report showed an expected acreage of sugar beets for harvest this year of 1.20 million acres, down 3.5 percent from last year. Most of the decline in sugar beet acreage is in California and Idaho. Based on indicated sugar beet yields (as of July 1), anticipated sugar beet production in 1966 will be 20 million tons, down about 4 percent from last year.

Production of sugar cane in 1966 is expected to be about 26 million tons, up 9 percent from last year. Over half of the expected increase will be in Louisiana, almost one-third in Hawaii, and the remainder in Florida. The expected increase in Louisiana indicates a return to more normal crop conditions after that State suffered from hurricanes in 1964 and 1965. Current expectation for total acreage of sugar cane for harvest in the 3 areas is about 629,000 acres, up 1.4 percent from last year. The indicated average cane yield for the 3 areas is 40.8 tons per acre, up from 38.1 tons in 1965. There are presently no restrictions on sugar cane acreage in Hawaii. Sugar cane growers in Florida and Louisiana are using virtually all of their total sugar cane acreage allotment for 1966.

The U. S. Department of Agriculture issued a regulation, effective July 13, 1966, limiting the imports of certain mixtures containing sugar and butterfat or flour. Imports of these mixtures in May of this year were greater than the total imports for 1960 through 1965. The new regulation (with minor exceptions) limits imports of such mixtures in 1966 to a quantity which contains no more than 93.5 tons of refined sugar (dry basis) from each country. If the limit already has been exceeded, no further imports will be allowed this year. For future years, quantities of such mixtures imported from any country will be limited to the larger of (1) the annual average for the 3 immediate preceding years, or (2) the quantity of mixtures containing 93.5 tons of refined sugar.

Corn Sweeteners

Domestic deliveries of 537,000 tons of corn sirup (dry basis) for the first 6 months of 1966 were about 3 percent larger than for the comparable period last year. Dextrose deliveries of 237,000 tons (dry basis) were about 2 percent larger during January-June of this year than a year earlier. Per capita consumption of corn sirup in 1966 is expected to be about 11.1 pounds (dry weight) and dextrose about 4.1 pounds (dry weight).

Dextrose currently is selling for $8.80 per cwt. (dry weight basis) in New York (600-bag carload). Corn sirup currently is selling for $8.34 per cwt. in New York, and $7.12 per cwt. in Chicago (43° unmixed, tank car--dry weight basis). These corn sweetener prices approximate those of 6 months ago, but domestic sugar prices have increased slightly during this period.

Noncaloric Sweeteners

The U. S. Tariff Commission reported production of 12.8 million pounds of noncaloric sweeteners in 1965, up 5 percent from 1964. Trade sources indicate that about 80 percent was cyclamate and virtually all the remainder was saccharin. The Tariff Commission data suggest that the noncaloric sweetener industry entered 1965 with substantial inventories. Cyclamate imports

totaled 442,000 pounds for 1965, down 58 percent from 1964. The sugar sweetness equivalent of total saccharin available for consumption (including imports) in 1965 was about 500,000 tons (300 times as sweet as sugar), up 3 percent from 1964, and for cyclamate about 165,000 tons (30 times as sweet as sugar), nearly the same as last year.

The drop in cyclamate imports appears related to the decline in domestic prices, from 85 cents per pound in first half 1965 to 64 cents in November. Quotations continued at 64 cents per pound through July 1966. Sodium saccharin, the more important form, currently is quoted at $1.40 per pound and calcium saccharin at $2.10 per pound. Saccharin price quotations have not changed since January 1965.

FISHERY PRODUCTS SITUATION 1/

Present indications are that 1966 supplies of edible fishery products may fall a little below those of last year. Domestic production probably will be slightly under the 1965 total; imports will be up substantially but beginning year stocks were down. Per capita consumption of fishery products likely will not exceed 10.9 pounds in view of slightly smaller production and population gains. Last year, consumption of fishery products averaged 11.0 pounds per person, the highest since 1954.

Smaller salmon supplies are in prospect this year due primarily to an expected reduction in the pack of red or sockeye salmon. Canned tuna may be less plentiful than in 1965. The early 1966 pack was above that of a year ago because imports of raw tuna stocks ran especially heavy, but domestic landings are down. Inventories of canned tuna were lowered by heavy sales during 1965, and in view of growing consumer requirements and strong world demand, canners will be hard pressed to replenish inventories. Present prospects are for a reduction in supplies of shrimp. Beginning year stocks were down appreciably, gulf fishermen have been having smaller landings, and imports have been running below a year ago. Supplies of north lobsters may also hold lower this year than last. About the same quantity of flounder will be available this year, and halibut supplies will about equal 1965. But, it appears that scallops, haddock, and rock lobster tails will be more plentiful this year.

Prices of fishery products generally increased during the first half of 1966. Continued high prices on most items are likely if demand continues strong and supplies overall hold a little below last year.

Currently, supplies of many popular fishery items are heavier than a year ago. More cod fillets and steaks, more halibut, and more fish sticks and portions are on hand than at mid-1965, although cold storage holdings of raw headless shrimp and ocean perch fillets are down. Frozen stocks of crab meat, lobster tails, and scallops are above a year ago. Stocks of canned red salmon are up, but canned coho, pink, and chum salmon are less plentiful than a year ago.

1/ Prepared by the Fish and Wildlife Service, U. S. Department of the Interior.

FOOD CONSUMPTION OF CORN, OAT, AND BARLEY PRODUCTS 1/

Per capita consumption of food products made from corn and oats has trended upward since 1954, following a long downtrend. In 1965 about 32 pounds of corn food products (product weight) and 3.7 pounds of oat food products were consumed per capita; both were about a sixth more than in 1954 (table 11). The use of barley in food products, excluding beer, has been relatively stable at around 1 pound per capita. Only about 5 percent of all corn and oats and less than 2 percent of total barley goes directly into food products; the major use of these 3 grains is for livestock feed.

Corn Products

Consumption of all corn food products declined from about 85 pounds (grain equivalent) per capita in 1909 to 45 pounds in 1954, but since then has increased to 56 pounds. Increased use of corn in recent years has been due largely to increasing consumption of corn sugar (dextrose) and sirup, although consumption of prepared cereals and hominy and grits also has increased. Consumption of cornmeal has declined, mostly because of a decline in use of corn for food in farm households. Per capita consumption of corn sirup exceeded cornmeal consumption for the first time in 1955, and by 1965 was double that of cornmeal. Corn sugar consumption also has been increasing in recent years. Per capita consumption of cornstarch as food, which is relatively less important, has remained stable.

In 1965, a total of 116 million bushels of corn went into the production of wet-process products--corn sugar, starch, and sirup--for civilian food use, about 60 percent of the total food use of corn. 2/ About 70 to 80 million bushels of corn have gone into production of dry-process products for food consumption in recent years. The quantity of corn going into dry-process corn food products--cornmeal, prepared cereals, and hominy and grits--also has been increasing in recent years, according to recently revised data from the Census of Manufactures. 3/ However, the overall increase in consumption of these products has been much less than for wet-process products.

Although consumption of cornmeal and flour has declined, consumption of hominy and grits has increased substantially. The combined consumption of these 2 products has been fairly stable over the last 10 years at around 10 to 12 pounds per capita. Consumption of prepared cereals has been trending steadily upward in recent years. Based on Census of Manufactures data, it rose from about 1.7 pounds per capita in 1955 to 2.1 in 1965.

1/ By Malcolm Clough, Commodity Analysis Branch, Economic Research Service.

2/ Data on the shipment of wet-process products from processing plants are furnished currently by Dun and Bradstreet.

3/ Consumption of dry-process products is estimated on the basis of data from the Census of Manufactures adjusted for imports, exports, military consumption, and uses other than food.

Table 11.--Civilian food consumption of corn, oats, and barley, United States, 1950-65 1/

Year	Corn								Oats 3/			Barley 4/		
	Per capita food consumption of corn products						Grain equivalent		Per capita consumption of food products	Grain equivalent		Per capita consumption of food products 5/	Grain equivalent	
	Sirup	Sugar	Starch	Cornmeal and flour 2/	Hominy and grits 2/	Prepared cereals 2/	Total	Per capita		Total	Per capita		Total	Per capita
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Mil. bu.	Lb.	Lb.	Mil. bu.	Lb.	Lb.	Mil. bu.	Lb.
1950	9.2	4.5	1.9	11.8	2.6	1.5	135	50.5	3.3	31	6.7	1.4	6	2.0
1951	9.0	4.1	1.9	10.8	2.6	1.6	132	49.0	3.3	32	6.8	1.4	6	1.9
1952	8.7	3.9	1.8	10.4	2.5	1.6	130	47.6	3.3	32	6.8	1.3	6	1.9
1953	8.8	4.0	1.8	9.8	2.4	1.6	129	46.2	3.3	33	6.8	1.2	6	1.7
1954	8.8	3.8	1.8	9.3	2.4	1.7	128	44.9	3.2	33	6.7	1.1	5	1.6
1955	9.0	3.7	2.0	8.7	2.7	1.7	132	45.5	3.3	34	6.8	1.0	5	1.5
1956	9.0	3.4	2.0	8.3	3.0	1.7	135	45.7	3.3	36	6.9	1.0	5	1.5
1957	8.9	3.2	1.9	7.9	3.2	1.7	135	44.9	3.4	37	7.1	1.0	5	1.5
1958	9.5	3.7	1.9	7.4	3.5	1.8	141	46.1	3.6	40	7.4	1.0	5	1.5
1959	9.8	3.9	1.9	7.0	3.8	1.8	147	47.3	3.6	41	7.5	1.0	5	1.5
1960	10.1	3.7	1.8	6.6	4.0	1.9	151	47.3	3.6	42	7.5	1.1	6	1.5
1961	10.6	3.7	1.8	6.3	4.2	1.9	155	48.0	3.6	43	7.6	1.1	6	1.5
1962	11.5	3.9	1.8	6.1	4.5	2.0	164	50.1	3.7	44	7.7	1.1	6	1.5
1963	12.3	4.5	1.8	5.9	4.7	2.1	180	53.9	3.7	45	7.8	1.1	6	1.5
1964	13.6	4.4	1.8	5.8	4.7	2.1	187	55.3	3.7	46	7.8	1.1	6	1.5
1965 6/	13.6	4.5	1.8	5.7	4.7	2.1	193	56.4	3.7	47	7.8	1.1	6	1.5

1/ Consumption of most items at the processing level. Includes Alaska and Hawaii beginning 1960. Excludes quantities used in alcoholic beverages.
2/ Based on data of the Census of Manufactures.
3/ Principally oatmeal and ready-to-eat oat cereals but includes an allowance for infant foods.
4/ Principally malt for food but includes an allowance for pearl barley.
5/ Malt equivalent.
6/ Preliminary.

Oat Products

Oatmeal and prepared cereals are the principal food products that contain oats. Although the quantity of oatmeal consumed has remained fairly stable in recent years, there has been a substantial increase in the quantity of oats going into ready-to-eat cereals. The total grain equivalent of oats going into food products rose from about 34 million bushels in 1955 to 47 million bushels in 1965. Based on Census data, about 65 percent of the food use of oats is for making oatmeal and about 35 percent for ready-to-eat cereal products and infant foods.

Barley Products

Food products made from barley principally include malt for food and pearl barley. Barley meal, once an important food product, has been insignificant in recent years. The Bureau of the Census does not report data on the food use of barley malt or pearl barley. Estimates of barley consumption as food are based on information from the industry and available information on the production of malt with adjustment for imports, exports, and alcoholic beverages. The major food uses of malt are for malt drinks, malt extracts, prepared infant foods, and breakfast cereals. It is estimated that about 5 or 6 million bushels of barley go for food uses; this is about 1.5 percent of total barley consumption.

The National Food Situation is published 4 times a year.

The next issue is scheduled for release November 1966.

SEASONALLY ADJUSTED RETAIL FOOD PRICE INDEXES 1/

Seasonal price changes are more-or-less regular variations around the secular price trend. They are due primarily to relatively irregular rates of production within the year compared to relatively stable demands, seasonal changes in supplies and prices of competing products, and seasonal fluctuations in demand for some products. Uneven production flows often mean that storage costs must be covered in the off-season. For example, anticipated higher prices for pork in the summer months, when production is relatively low, induces accumulation of storage supplies during peak production periods. Since peak production for many food products, particularly crops, occurs in late summer, prices tend to be the highest just prior to this time. But prices drop quickly when production increases. Fruits and vegetables, in particular, drop sharply once the seasonal peaks have passed.

Changes in retail prices typically lag changes in prices received by farmers and wholesale prices by approximately the time required to move food through the marketing pipeline. Wholesale prices for farm products reach their seasonal high point about April, wholesale prices for processed foods in June, and retail food prices--strongly influenced by fresh fruits and vegetables and pork--in July (cover chart). 2/

New Seasonally Adjusted Indexes

The Bureau of Labor Statistics (BLS) began publishing retail food price indexes on a seasonally adjusted basis for January 1966, in addition to the regular unadjusted price indexes. Seasonally adjusted indexes were published for all food, food at home, and 4 major food commodity groups through May but, beginning with June, seasonally adjusted prices are being published for individual foods as well. No adjusted index is being published for food away from home since little seasonal variation occurs. Neither is an adjusted index being published for the overall Consumer Price Index (CPI) since seasonal changes within groups tend to be offsetting. BLS does not intend to publish seasonally adjusted indexes for previous years, except for 1965. 3/ Adjusted indexes are published only for the U. S. average, and not for any of the individual metropolitan areas for which separate price indexes are published.

Seasonal adjustment factors and their standard deviations were computed by BLS (but were not published) for many of the foods priced for the CPI (table 12). The seasonal factors were revised from those published in 1963 in Seasonal Factors: Consumer Price Index: Selected Series, June 1953-May 1961. 4/

1/Stephen J. Hiemstra, Head, Food Consumption Section, ERS.

2/Department of Labor, Bureau of Labor Statistics, Prices: A Chartbook, 1953-62, **Bulletin** No. 1351, December 1962, page 204.

3/Monthly Labor Review, April 1966, table D-2, p.472.

4/Bureau of Labor Statistics Bulletin 1366. Indexes of seasonal retail price variation for selected food products from the BLS study were published in the November 1963 issue of the National Food Situation, NFS-106.

Table 12.--Indexes of seasonal retail price variation and standard deviation for selected food components of the Consumer Price Index 1/

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Standard deviation
All food	99.8	100.0	99.7	99.7	99.6	99.9	101.0	100.3	100.3	100.0	99.7	99.8	0.15
Food at home	99.8	100.0	99.7	99.6	99.5	99.9	101.3	100.4	100.3	100.0	99.6	99.7	.2
Meats, poultry, fish	100.0	100.0	99.3	98.7	98.2	98.5	100.2	101.4	102.1	101.2	100.4	99.8	.3
Meats	99.8	99.5	98.8	98.5	98.0	98.2	100.3	101.7	102.4	101.8	100.6	100.0	.4
Beef and veal	100.8	100.6	99.8	99.2	98.8	97.9	99.0	100.3	101.0	101.0	101.0	100.8	.4
Round steak	100.3	100.6	99.5	99.2	99.0	98.1	99.6	100.5	100.3	101.6	100.9	100.6	.7
Rib roast	101.8	100.5	99.6	98.8	98.4	98.3	99.2	100.1	100.8	100.9	100.4	100.8	.5
Chuck roast	101.7	101.6	101.0	99.7	98.2	95.1	96.3	99.5	101.4	100.8	102.2	102.1	.9
Hamburger	100.7	100.0	99.4	99.0	98.6	99.3	99.6	99.4	101.3	100.7	100.7	100.9	.4
Veal cutlets	99.8	100.9	100.5	100.1	100.0	100.0	99.9	99.7	100.1	99.6	99.3	99.7	.2
Pork	98.6	98.4	97.3	96.7	97.1	98.2	102.2	104.3	105.1	102.7	100.3	98.8	.7
Pork chops	98.9	98.4	96.8	96.0	95.4	98.0	103.4	106.1	104.7	103.6	100.4	98.0	.7
Ham, whole	101.1	100.4	99.4	98.8	97.4	98.4	99.5	101.1	101.1	100.5	100.5	101.3	.4
Bacon	97.1	97.7	96.9	96.3	97.4	98.1	102.6	106.0	106.7	103.0	99.7	98.1	.8
Other meats	99.9	99.8	99.6	99.6	99.8	100.0	99.8	100.1	100.7	100.5	100.3	100.0	.2
Frankfurters	99.7	99.6	99.7	99.5	99.3	99.8	99.7	100.0	101.2	100.8	100.7	100.1	.3
Chicken, frying	99.9	101.3	101.3	100.1	98.3	100.8	101.2	99.6	100.4	99.1	99.6	98.4	1.0
Fish	100.4	100.6	100.0	100.1	100.1	99.9	99.8	99.7	99.5	99.6	100.0	100.0	.1
Fresh or frozen	100.4	100.6	100.0	100.2	100.2	99.6	99.8	99.8	99.8	99.6	99.9	99.9	.2
Dairy products	100.7	100.3	100.1	99.5	99.2	99.0	99.5	99.9	100.2	100.6	100.6	100.7	.1
Fresh milk, grocery	100.9	100.4	100.0	99.2	98.6	98.1	99.1	100.1	100.5	101.0	101.1	101.0	.1
American cheese	100.2	100.3	100.3	100.0	100.0	99.9	99.7	99.7	99.8	99.9	100.1	100.0	.2
Butter	100.4	100.1	100.0	99.7	99.6	99.4	99.4	99.4	99.9	100.7	100.6	100.7	.1
Fruits and vegetables	97.7	99.0	100.0	101.8	103.4	105.1	106.7	100.7	96.4	95.8	96.1	97.3	.6
Fresh fruits and vegetables	96.4	98.5	99.9	102.7	105.2	108.0	110.8	101.1	94.8	93.5	93.9	95.7	.9
Apples	86.7	91.2	94.5	101.1	108.9	121.1	129.5	125.8	95.2	81.5	79.8	84.3	1.1
Bananas	96.4	101.3	100.3	100.1	99.9	100.8	99.6	100.6	101.0	103.1	99.0	98.2	.2
Oranges	91.9	93.6	95.4	99.4	98.3	98.1	100.8	103.1	107.2	108.3	105.8	98.2	1.7
Grapefruit	86.9	89.1	88.1	89.8	95.2	106.9	113.2	116.4	116.7	117.0	93.2	87.3	2.3
Potatoes	93.5	94.8	95.0	97.6	103.8	115.3	123.1	105.9	95.8	92.6	91.5	91.9	2.0
Onions	95.2	96.9	96.8	102.4	103.8	109.0	112.6	109.2	95.4	92.5	91.4	94.2	2.4
Cabbage	110.7	113.1	112.2	107.0	110.0	109.5	98.8	89.4	86.4	87.4	84.9	90.7	4.6
Carrots	102.9	98.4	95.1	93.7	95.8	104.4	106.3	105.0	100.1	98.0	99.0	101.5	1.1
Celery	102.5	101.7	105.1	100.4	102.3	100.4	110.7	97.0	92.5	95.0	96.1	96.5	1.8
Lettuce	103.5	109.1	102.7	96.6	98.5	100.8	91.1	91.8	98.5	99.7	107.9	99.6	5.5
Tomatoes	114.9	106.0	112.6	116.4	116.8	105.2	110.1	73.3	68.3	74.1	90.2	111.3	3.9
Grapes	---	---	---	---	---	---	130.4	98.8	83.7	91.0	97.8	---	1.6
Strawberries	---	---	---	113.2	96.1	88.1	---	---	---	---	---	---	.8
Watermelon	---	---	---	---	---	121.9	94.8	80.5	---	---	---	---	2.1
Frozen orange juice	102.9	101.4	100.9	100.7	98.5	97.8	98.4	98.8	98.8	99.2	100.7	102.1	1.2
Cereal and bakery products	100.2	100.1	100.0	100.0	99.9	99.9	99.9	99.9	99.9	100.0	100.1	100.1	.1
Other foods at home 2/	100.8	100.2	99.3	99.1	98.8	98.4	99.2	99.8	101.4	101.8	100.8	100.5	.3
Eggs	103.9	102.5	97.4	96.4	90.5	88.3	92.4	97.4	109.7	110.4	106.5	105.0	1.4

1/ These indexes, based on annual average equal to 100, are being applied to retail price indexes for 1966; updated factors will become available at the end of each year in the future. 2/ Includes eggs, fats and oils, sugar and sweets, nonalcoholic beverages, and prepared foods.

Unpublished data from Bureau of Labor Statistics.

The seasonally adusted price index for all food for June 1966 stood at 114.0 (1957-59=100), down from 114.3 in April (table 13). It compares with 113.9 for the unadjusted index for June 1966 (table 17, p. 48). The price increase of 0.4 percent from May to June 1966, on an unadjusted basis, was erased entirely on an adjusted basis. In 1965, the peak within the year was reached in December on an adjusted basis rather than in July on an unadjusted basis.

The revised seasonal factors were derived using the 1964 BLS seasonal factor method. 5/ This method reduced the variation in seasonal factors over time, in comparison with the method used in the 1963 study. The computational procedure used by BLS involved a series of successive approximations that ended with secular (trend-cycle), seasonal, and irregular components of price variation over time. Stability was obtained by use of "credence factors" which gave more weight to small irregular variations in the data than to large variations.

Shifts in Seasonality

Higher prices during the off-season may stimulate production shifts over the years, even though production costs may be higher during the off-season. Pork production is an example; winter farrowings may be more costly, but price incentives for reaching the summer market have encouraged earlier production. Even though the total amount of seasonal variation did not decline over the 1956-65 period, the yearly retail price peak in 1965 came later--about September--rather than in July (fig. 5). Prices in April-July in recent years have been seasonally much lower than in previous years.

Beef and veal prices did not exhibit marked seasonality, but some shifts have occurred (fig. 5). The direction of change has been the same as that for pork--down in the second quarter and up in the fourth quarter. As a result, total meat price seasonality shifted noticeably between 1956 and 1965. The second quarter is now the low of the year and the peak comes later in the summer.

The shift in meat prices has been important enough to influence total food prices: In earlier years, second quarter food prices averaged above the first quarter. June, in particular, was a strong month. However, by 1965, seasonal factors had shifted to the point that the second quarter averaged about the same as the first and fourth quarters. The third quarter averaged about 1 percent above the other three. July remains the peak of the year, but June prices no longer are up as much from May as previously.

Shifts in methods of production also may encourage a more even seasonal flow of output. Broiler production is a good example: Large-sized commercial units have stabilized the flow of product to the point that little retail

5/ Department of Labor, Bureau of Labor Statistics, The BLS Seasonal Factor Method (1964), April 1964, 22 pp. The BLS method assumes a multiplicative relationship among the 3 components of a series of original data: Original= (Trend-cycle) (Seasonal) (Irregular).

Table 13.--Retail food price indexes, seasonally adjusted (Index, 1957-59=100)

Year and month	Food at home											All food
	Meats			Frying chicken	Fish	Eggs	Dairy products	Fruits and vegetables		Cereal and bakery products	Total	
	Beef and veal	Pork	Total					Fresh	Total			
1965	106.8	109.4	106.9	90.3	110.6	92.8	105.0	121.7	115.2	111.2	107.2	108.8
Jan.	102.3	97.6	100.3	86.8	108.9	88.2	104.9	120.0	115.0	110.9	105.0	106.8
Feb.	101.8	98.6	100.5	88.6	109.4	84.0	104.9	120.0	114.4	110.6	104.8	106.6
Mar.	102.8	100.1	101.5	88.0	109.9	85.7	104.9	122.3	115.3	110.9	105.3	107.2
Apr.	103.4	100.8	101.9	89.3	110.0	91.9	105.0	123.1	115.5	111.0	105.9	107.6
May	105.2	101.5	103.4	88.6	110.2	96.7	105.0	126.9	117.4	110.9	106.7	108.3
June	112.0	110.9	110.0	93.6	110.5	95.0	105.0	131.1	119.8	111.1	108.9	110.2
July	112.0	114.7	111.3	92.7	111.0	94.4	104.8	125.1	116.5	111.2	108.3	109.8
Aug.	109.8	115.0	110.6	93.0	111.4	92.9	105.1	119.9	113.8	111.2	108.2	109.8
Sept.	108.7	114.1	109.9	92.1	111.6	89.9	105.1	116.2	112.6	111.4	107.7	109.4
Oct.	108.0	115.7	109.8	89.9	111.6	93.8	104.9	117.3	113.3	111.3	107.8	109.7
Nov.	107.2	118.0	110.6	89.8	111.3	96.3	105.2	118.4	114.4	111.3	108.2	110.0
Dec.	108.0	124.3	113.3	90.6	111.5	104.4	105.4	117.2	114.1	112.1	109.2	110.8
1966												
Jan.	108.5	132.8	116.8	90.3	111.6	101.1	105.9	116.7	113.9	112.8	110.0	111.6
Feb.	110.7	135.4	119.4	97.8	112.4	106.4	106.7	123.4	117.7	113.1	111.8	113.1
Mar.	114.1	135.4	121.3	100.0	114.7	111.4	108.0	122.9	117.4	113.6	112.9	114.2
Apr.	116.0	128.9	119.9	100.9	116.0	109.9	109.4	123.8	117.7	114.1	113.2	114.3
May	114.7	125.2	118.7	92.5	118.1	109.2	110.2	120.1	115.3	114.4	112.6	114.0
June	115.2	126.2	118.7	96.3	118.1	100.9	110.7	121.4	115.8	114.8	112.4	114.0
July												
Aug.												
Sept.												
Oct.												
Nov.												
Dec.												

Bureau of Labor Statistics.

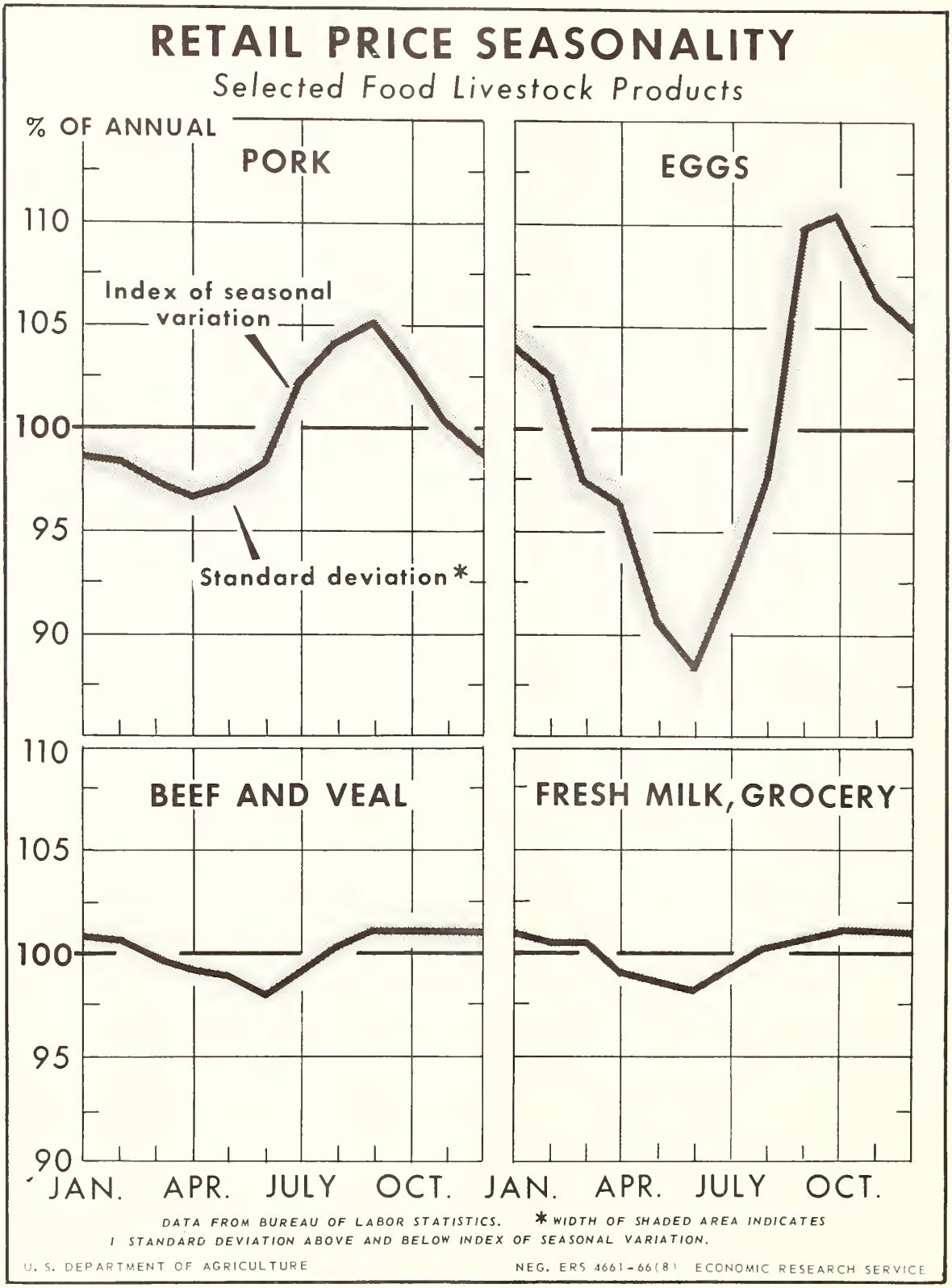
RETAIL PRICE SEASONALITY
Selected Food Livestock Products
% OF ANNUAL
PORK
EGGS
110
105
100
95
90
Index of seasonal variation
Standard deviation *
BEEF AND VEAL
FRESH MILK, GROCERY
JAN. APR. JULY OCT. JAN. APR. JULY OCT.
DATA FROM BUREAU OF LABOR STATISTICS. * WIDTH OF SHADED AREA INDICATES 1 STANDARD DEVIATION ABOVE AND BELOW INDEX OF SEASONAL VARIATION.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 4661-66(8) ECONOMIC RESEARCH SERVICE

Figure 5

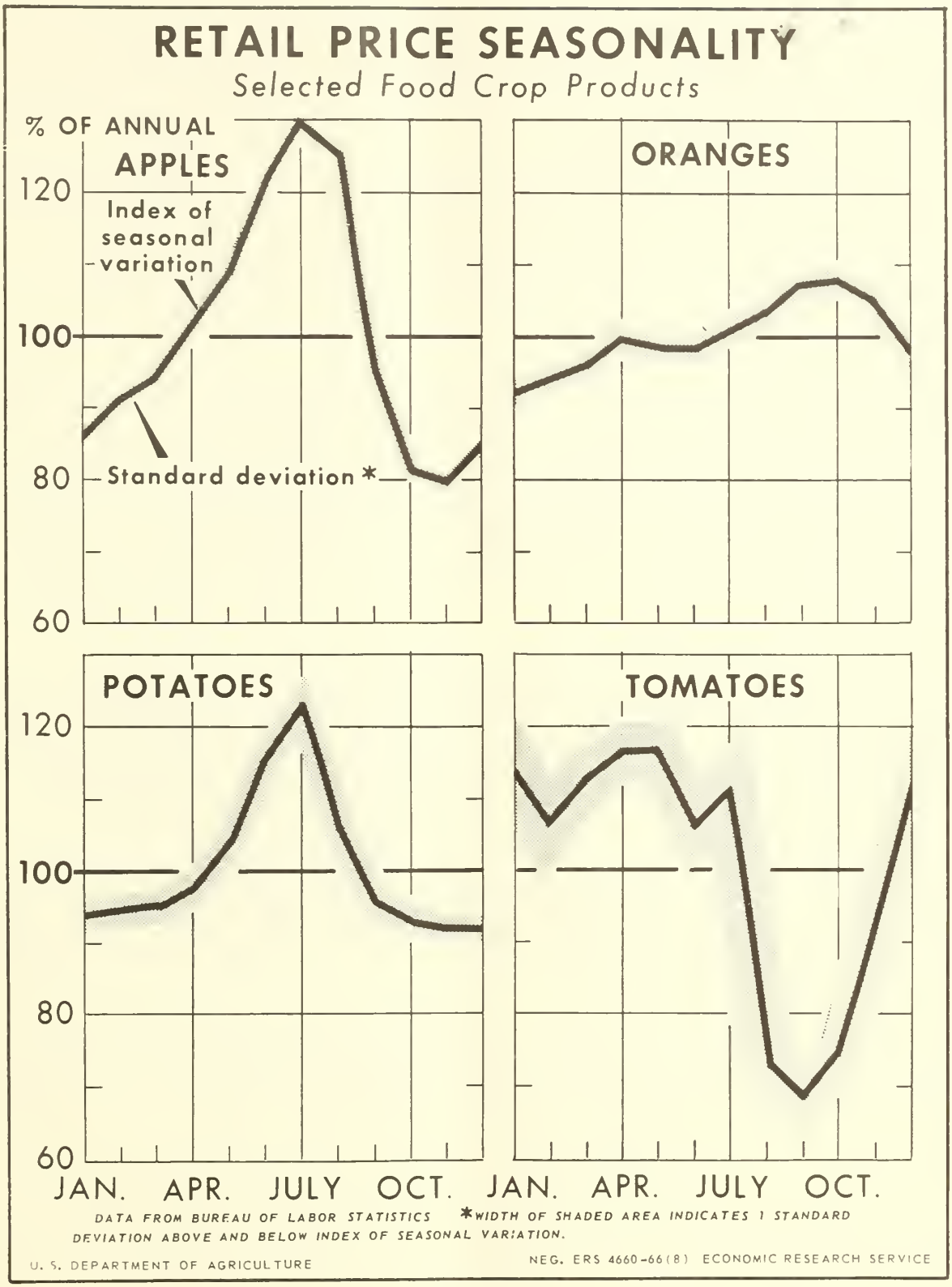
RETAIL PRICE SEASONALITY
Selected Food Crop Products
% OF ANNUAL
APPLES
Index of seasonal variation
Standard deviation *
ORANGES
POTATOES
TOMATOES
120
100
80
60
JAN. APR. JULY OCT. JAN. APR. JULY OCT.
DATA FROM BUREAU OF LABOR STATISTICS *WIDTH OF SHADED AREA INDICATES 1 STANDARD DEVIATION ABOVE AND BELOW INDEX OF SEASONAL VARIATION.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 4660-66(8) ECONOMIC RESEARCH SERVICE

Figure 6

price seasonality remains for chicken. Only a 3-percent variation from the high to low point remained in 1965, compared with a 9-percent swing in 1956. The 1965 seasonal pattern shifted from that earlier in the 1956-65 period, but may not be statistically significant in view of the size of its standard deviation (table 12). 6/

The seasonal price patterns for eggs and dairy products depart sharply from those for most foods in that they reach their low points in the summer--in about June (fig. 5). Both products exhibited somewhat less fluctuation in 1965 than in 1956. The pattern of variation changed somewhat for eggs: Egg prices in 1965 tended to be relatively higher in the early months of the year and relatively lower in the summer months of July and August, but the peak still came in September-October.

Many changes in seasonality occurred for individual fresh fruits and vegetables between 1956 and 1965, although collectively there was little change in pattern (fig. 6). The price pattern for onions changed noticeably; for example, relatively lower prices in May-June were offset by higher prices late in the year. Carrot prices also shifted considerably: Prices were relatively higher in June-July and lower in September-December. Lettuce prices changed substantially. But lettuce prices vacillate so much, judging from the size of the standard deviation, that the seasonal pattern may have little validity.

Overall, there probably has been some slight decline in seasonal variation in retail food prices in recent years. Between 1956 and 1965, the range of variation within the year from the highest to the lowest month was reduced for all food from 1.6 percent to 1.4 percent. Even so, the amount of seasonality has exceeded the annual average increase in food prices for many years. The variation in food at home dropped a notch--from 1.9 to 1.8 percent. The greater variation for food at home than for total food was due to the small seasonal variation for food away from home that accounts for about a fifth of total food. A decline in total variation was noticeable for chicken, dairy products, eggs, onions, tomatoes, apples, bananas, oranges, and grapefruit. But increases were noted for a few foods--potatoes, for example--and little change for many others.

6/ Standard deviations are shown as bands around the indexes of seasonal variation charted in figs. 5 and 6, one standard deviation above and one standard deviation below the index of seasonal variation.

FOOD EXPENDITURES IN 1960-61 1/

Publication of additional results of the 1960-61 Survey of Consumer Expenditures for the total United States now allows detailed analysis of expenditure patterns by families for 1960-61. 2/ Previously, summary data for the United States and data from the urban, rural nonfarm, and farm segments were available. In addition, family expenditure data were published for the 4 major regions: Northeast, North Central, South, and West.

Consumer expenditure studies in the past have been conducted about once every decade. The primary purpose of these surveys is to provide a basis for updating index weights used in computation of the Consumer Price Index (CPI) by the Bureau of Labor Statistics. BLS used the results of the 1960-61 survey of urban families in making the CPI revision published beginning January 1964. 3/ In addition, the survey provides a comprehensive study of factors influencing family expenditure patterns for the entire U. S. population. The U. S. Department of Agriculture cooperated in the survey and published all the rural farm survey reports. The 1960-61 survey provided the first cross-sectional data for the entire United States since 1941-42. It supplements annual consumer expenditure data from the National Income Accounts, U. S. Department of Commerce, by providing detailed information by income, family size, and other socio-economic characteristics.

Food Expenditures and Income

Total income after taxes in 1960-61 averaged $6,072 per family in the United States, or $1,898 per capita, according to data derived from the Survey of Consumer Expenditures. 4/ The average size of family (consumer unit) was 3.2 persons, including single individuals. The total value of food averaged $1,293 per family or $404 per capita. This total, herein termed food expenditures, includes $989 spend for food prepared at home, $246 spent for meals

1/ By Stephen J. Hiemstra and Helen M. Eklund, Food Consumption Section, Economic Research Service.

2/ U. S. Department of Labor, Consumer Expenditures and Income--Detail of Expenditure and Income. Total United States, Urban and Rural, Survey of Consumer Expenditures, 1960-61, Supplement 3-Part A to BLS Report No. 237-93 (USDA Report CES 45), May 1966.

3/ "Consumer Price Index Revision," National Food Situation, NFS-108 (May 1964), pp. 18-24.

4/ Derived by ERS as the total of consumer expenditures (including personal insurance and gifts and contributions), net savings (net change in assets and liabilities), the value of items received without expense, and the value of home-produced food. This definition of income is numerically equal to money income after taxes of $1,737 per capita plus nonmoney income (items received without expense and home-produced food), other money receipts, and "account balancing difference." It compares with disposable personal income of $1,960 per capita for 1960-61 reported in the National Income Accounts. Although the definition of income used in this report differs in certain respects from that used in the National Income Accounts, it is much closer than use of money income after taxes often used in analysis of survey results.

away from home, $15 worth of food received without expense, and $44 worth of home-produced food. On this basis, 21.3 percent of income went for food in 1960-61. 5/

Families in higher income brackets spent more for food than those in the lower brackets. Part of the difference was due to larger families among high-income groups--families with incomes of $10,000 or more averaged 4 persons compared with only 2 persons for families with less than $3,000 income. Food expenditures increased with income on a per capita basis too, but not as strongly. Comparing families in different income groups, a 1-percent increase in per capita income after taxes was associated with a 0.4-percent increase in per capita food expenditures (table 14). 6/ As a result, the percentage of income spent for food declined as family income increased--families with incomes below $3,000 used about a third of their income for food whereas families receiving $10,000 income or more spent only a sixth for food.

Families in successively higher income brackets reacted differently to alternative methods of obtaining food. On the average, however, 1-percent increase in per capita income after taxes was associated with a 0.9-percent increase in per capita spending for food away from home, but only a 0.4-percent increase for food purchased for use at home. A 1-percent increase in income led to a decline of 0.9 percent in the sum of the value of food received without expense and home-produced food. This decline was strongly influenced by farm families who accounted for most of the home-produced food and who had lower average incomes.

Food Expenditures Related to Family Size

Although total food expenditures and total family income both generally increased with family size, per capita income declined from $2,964 per capita for single individuals to $1,017 per capita for families of 6 or more persons (table 14). The percentage of income spent for food was greater for large families than for small families. But even so, food expenditures dropped from $607 for single individuals to $270 per capita for families of 6 or more.

5/ Food expenditures averaged $390 per capita in 1960-61 according to the National Income Accounts, or 19.9 percent of disposable personal income.

6/ This gross relationship between per capita food expenditures and income over 10 income groups obscures changes that occurred in average prices paid per unit, product mix of the food market basket, and forms and places in which food was purchased in addition to changes in total quantities purchased. Since this comparison was made among families in different income groups at a given point in time, behavior of the same families may differ as income increases over time.

Table 14.--Food expenditures and income, by family size, urbanization, and region

Item	Per capita income after taxes 1/	Per capita food expenditures: Food purchased for use at home	Food away from home	Home produced or received without expense	Total value of food	Percent increase in per capita food expenditures for each 1-percent increase in per capita income 2/: Food purchased for use at home	Food away from home	Home produced or received without expense	Total value of food	Total food as percent of income
	Dol.	Dol.	Dol.	Dol.	Dol.	Pct.	Pct.	Pct.	Pct.	Pct.
United States total	1898	309	77	18	404	0.40	0.84	-0.86	0.41	3/21.3
By family size										
2 or more persons	1841	307	69	18	394	.41	.98	- .75	.40	21.4
1 person	2964	357	229	21	607	4/ .26	4/ .89	4/- .30	4/ .46	20.5
2 person	2693	402	100	24	526	.42	1.23	- .52	.49	19.5
3 person	2201	343	87	17	447	.53	1.08	- .85	.49	20.3
4 person	1859	307	69	16	392	.38	.81	- .85	.31	21.1
5 person	1540	277	57	14	348	.54	.87	- .92	.49	22.6
6 or more person	1017	213	37	20	270	.60	.88	- .52	.48	26.5
By urbanization										
Farm 5/	1,343	192	36	119	347	.17	.40	- .13	.11	25.8
Rural nonfarm 5/	1,484	258	51	23	332	.38	1.03	- .58	.41	22.4
Urban	2,068	334	89	6	429	.40	.76	- .85	.45	20.8
By region										
Northeast	2167	378	92	10	480	.36	.89	-1.23	.42	22.1
North Central	1895	302	72	20	394	.28	.71	- .69	.30	20.8
South	1567	250	62	26	338	.43	.86	- .58	.43	21.5
West	2102	327	90	14	431	.27	.64	- .84	.27	20.5

1/ Total of consumer expenditures (including personal insurance and gifts and contributions), net savings (net change in assets and liabilities), the value of items received without expense, and the value of home-produced food.

2/ Based on cross-sectional, least-squares regression analysis covering 10 income categories.

3/ Compares with 19.9 percent of disposable personal income spent for food in 1960-61 based on National Income Accounts, U.S. Department of Commerce.

4/ Omits information for the $15,000-and-over income group in which there were only 3 observations.

5/ 1961 only.

Data deprived from Bureau of Labor Statistics, 1960-61 Survey of Consumer Expenditures.

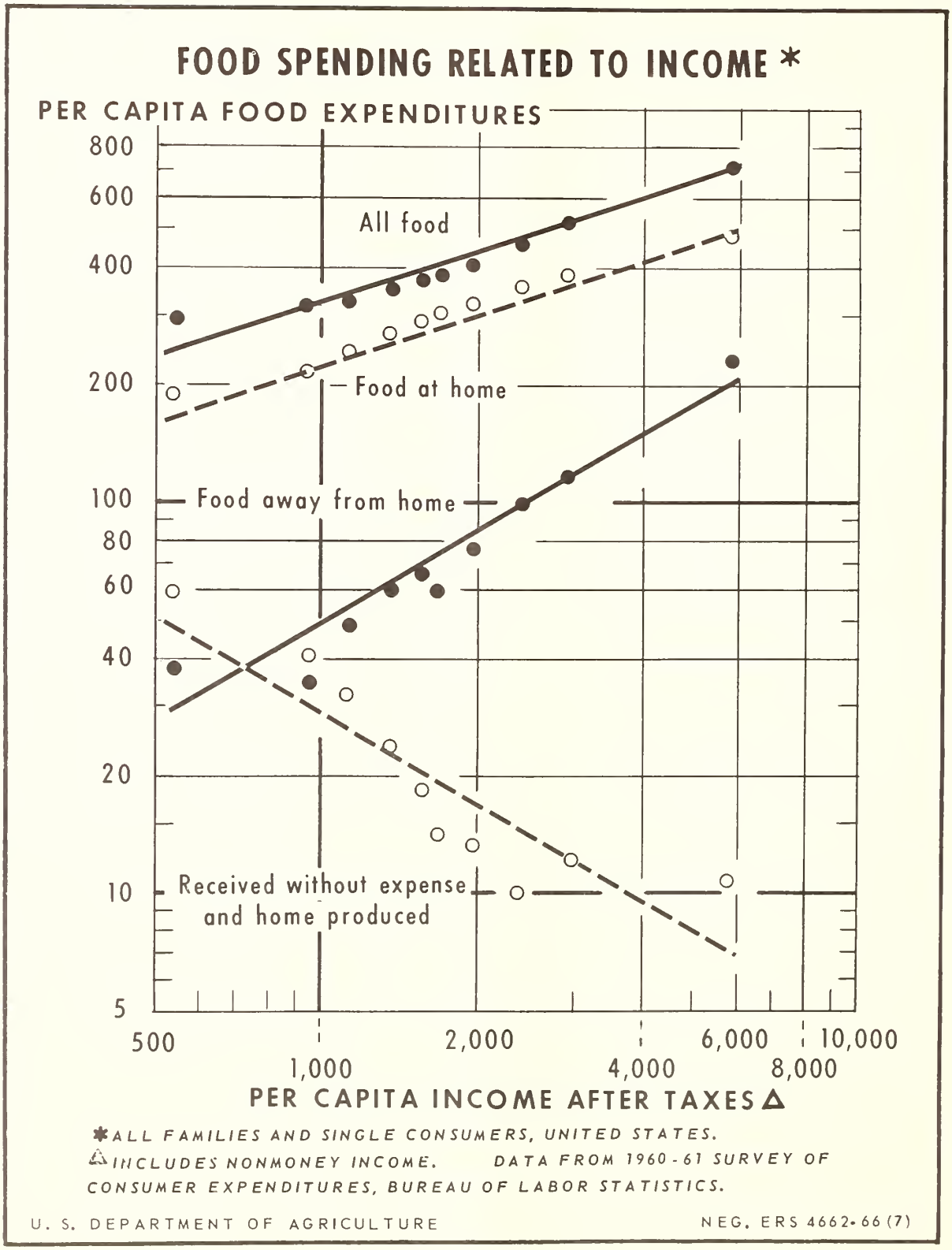
FOOD SPENDING RELATED TO INCOME *
PER CAPITA FOOD EXPENDITURES
800
600
400
200
100
80
60
40
20
10
5
All food
Food at home
Food away from home
Received without expense and home produced
500
1,000
2,000
4,000
6,000
8,000
10,000
PER CAPITA INCOME AFTER TAXES Δ
*ALL FAMILIES AND SINGLE CONSUMERS, UNITED STATES.
ΔINCLUDES NONMONEY INCOME. DATA FROM 1960-61 SURVEY OF CONSUMER EXPENDITURES, BUREAU OF LABOR STATISTICS.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 4662-66 (7)

Figure 7

Single individuals spent more than 3 times as much for meals purchased away from home as the average for each person in families of 2 or more persons and more than twice as much as each member of 2-person families. Single individuals spent more than a third of their total food expenditures for away from home eating, whereas families of 2 or more persons devoted an average of less than a fifth of their food spending to purchased meals.

Each family size group received about the same amount of food without expense or home-produced, on a per capita basis. The 6-or-more person family group was the only one to account for more than 5 percent of total food in this way.

Large families on the average tended to spend about the same share of increases in income per capita for food over income levels. But the pattern of spending differed. For each 1-percent increase in income, persons in 6 or more person families spent 0.6 percent more for food at home compared with only 0.3 percent increase for single consumers and 0.4 percent increase for persons in 2-person families. The opposite tendency was shown for purchases of food away from home. A 1-percent increase in income for persons in families of 2 or 3 persons was associated with more than a 1-percent increase in spending for food away from home compared with 0.8 or 0.9 percent for persons in the larger family groups.

Food Expenditures By Urbanization

Urban families spent about a fourth more per person for food--including the value of home-produced food and that received without expense--than did families living on farms or in rural nonfarm areas. The retail value of home-produced food amounted to about a third of the total food used by farm families. Rural nonfarm families also depended upon home-produced food for a much greater part of total food than did urban families, and they received more food without expense than did either farm or urban families. Urban families received half again as much income after taxes as did farm families and about 40 percent more than rural nonfarm families. Despite greater food expenditures by urban families, the percentage of income going for food was less--21 percent for urban compared with 22 percent for rural nonfarm and 26 percent for farm families.

At successively higher income levels, farm families spent less of a dollar's increase in income for food than did urban and rural nonfarm families, only 0.1 percent for farm compared with 0.4 percent for urban and rural nonfarm families. Several reasons help account for this difference: Home-produced food had an inverse association with rising income levels so the large proportion of food home produced by farm families reduced the association with income for total food. 7/ Also, the greater variability of income by farm families undoubtedly plays a significant role in moderating the spending habits of farm

7/ The slightly negative relation between income and value of home-produced food plus food received without expense is influenced strongly by a small value of home-produced food by the $15,000-and-over income group.

families in years when income is high. Further, the much lower spending on food away from home associated with a dollar's increase in income probably is related to the convenience of eating lunch at home and the travel necessary in buying other food away from home by farm families.

Food Expenditures
By Region

Families in the Northeast spent more per capita for food than did families living in other areas. Southern families spent about a third less per capita than families in the Northeast, but incomes in the South where urbanization is less intense were proportionately less as well. As a result, differences among regions in percentage of income spent for food were relatively small. Differences in food expenditures among regions may be due to differing price levels, food preferences, or quantity consumed. Families in the South led in value of home-produced food consumed with 8 percent of the total. Food away from home varied among regions from 18 to 21 percent of total food, with the West at the top of the range.

At successively higher income levels, Southern families tended to spend more per capita for food, particularly for food at home, than did families in other regions (table 15). Also, Southern families showed less of a decline in per capita value of home-produced food and food received without expense at higher income levels than did families in other regions. These variations appear related to the lower average incomes and food expenditures in the South.

Breakdown of Nonfarm Food Dollar by Commodity 8/

Although quantity data are not available from the 1960-61 survey, detailed expenditure data, covering food expenditures by commodity for food purchased and prepared at home in a week during the first halves of 1961 and 1962 were published by a private organization for nonfarm housekeeping families (fig. 8 and table 15). 9/ The breakdown of the dollar spent for food prepared at home by nonfarm families is quite similar, although not identical, to the commodity weights used in combining prices in the CPI. 10/ The breakdown can also be

8/ Also, see "How Families Spend Their Food Dollars," by Betty Peterkin and Faith Clark, Family Economic Review, March 1966, ARS 62-5, pp. 3-6, and "Food Expenditures of Urban Families, 1950 to 1960-61," by Laura Mae Webb, Monthly Labor Review, Vol. 88, No. 8 (February 1965), pp. 150-53 (reprinted as BLS Report No. 238-9, May 1965).

9/ Bureau of Labor Statistics data for nonfarm families obtained for the week preceding the interview for the 1960-61 Survey of Consumer Expenditures were published by National Industrial Conference Board in Expenditure Patterns of the American Family (New York: 845 Third Ave.), 1965, 175 pages.

10/ "Consumer Price Index Revision," National Food Situation, NFS-108 (May 1964), table 8, page 19, gives index weights for 14 food groups in the CPI.

Table 15.--Per capita income and food expenditures of nonfarm families and single consumers, by family income, family size, and region, 1960-61 1/

Item	U. S. average		Family money income (before taxes)					
	Cents per food dollar	Total	Under $3,000	$3,000-4,999	$5,000-7,499	$7,500-9,999	$10,000-14,999	$15,000 and over
Family size 2/		3.2	2.1	3.0	3.5	3.7	3.9	3.8
	Cents	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Money income after taxes	---	1,761	836	1,349	1,709	2,194	2,930	5,774
Total income after taxes 3/ 4/	---	1,916	1,005	1,518	1,864	2,329	3,057	5,963
Food expenditures 4/ 5/	---	404	299	363	398	464	541	740
At home	---	315	233	288	321	358	396	495
Away from home	---	79	43	64	70	100	138	239
Received without expense 5/	---	10	24	11	7	6	7	6
Average weekly food expenditures (at home) 6/	100.0	6.62	5.41	6.08	6.61	7.14	7.53	8.27
Cereal products	4.6	.30	.35	.32	.30	.29	.27	.24
Bakery products:								
Bread	4.0	.27	.24	.26	.27	.28	.27	.26
Other	4.9	.32	.21	.28	.32	.36	.40	.46
Meat, poultry, and fish:								
Meat - total	25.4	1.68	1.24	1.51	1.69	1.84	2.01	2.25
Beef, fresh and frozen	11.0	.73	.44	.59	.72	.81	.96	1.17
Pork, fresh and frozen	4.0	.26	.22	.26	.27	.28	.28	.24
Bacon and ham 7/	3.5	.23	.19	.22	.23	.25	.26	.25
Other meat 8/	6.9	.46	.39	.43	.47	.50	.51	.58
Poultry, fresh and frozen	4.0	.27	.27	.26	.25	.27	.28	.32
Fish and shellfish	2.5	.17	.11	.14	.16	.19	.21	.31
Milk, cream, and cheese	14.5	.96	.75	.87	.99	1.04	1.08	1.18
Fluid milk and cream	9.3	.61	.43	.55	.63	.68	.70	.77
Cheese	2.2	.14	.12	.12	.15	.15	.18	.21
Ice cream and frozen dessert	1.8	.12	.07	.10	.13	.14	.15	.16
Other	1.2	.08	.11	.10	.08	.06	.06	.05
Eggs	3.6	.24	.25	.25	.24	.24	.24	.26
Fats and oils - total	4.5	.30	.28	.29	.30	.31	.31	.31
Butter	1.4	.09	.06	.07	.09	.10	.12	.13
Margarine	.9	.06	.06	.06	.06	.06	.05	.05
Lard	.2	.02	.03	.03	.01	.01	.01	9/
Other 10/	2.0	.13	.11	.11	.13	.14	.14	.14
Fruits and vegetables:								
Fruits - total	7.9	.53	.40	.43	.50	.59	.67	.78
Fresh	3.8	.25	.20	.22	.23	.29	.31	.37
Canned, including juice	2.5	.17	.14	.14	.15	.18	.19	.22
Frozen, including juice 11/	1.6	.09	.04	.07	.09	.12	.15	.16
Dried	.3	.02	.02	.01	.02	.02	.02	.03
Vegetables - total	7.2	.48	.38	.42	.46	.53	.57	.64
Fresh	3.7	.25	.19	.21	.23	.28	.30	.36
Canned, including juice	2.1	.14	.12	.13	.14	.15	.15	.14
Frozen	.9	.06	.03	.05	.05	.07	.09	.11
Dried 12/	.5	.03	.04	.04	.04	.03	.03	.03
Potatoes - total	2.0	.13	.10	.13	.15	.15	.14	.13
Fresh	1.2	.08	.08	.09	.09	.08	.08	.08
Processed	.8	.05	.03	.05	.06	.06	.06	.06
Sugar and sweets	3.5	.23	.21	.24	.23	.24	.24	.23
Beverages	5.5	.36	.35	.34	.36	.38	.38	.43
Baby foods	.8	.05	.02	.05	.07	.05	.05	.03
Soup	1.3	.09	.07	.08	.09	.09	.10	.10
Other food:								
Prepared dishes	2.0	.13	.08	.11	.13	.15	.16	.21
Other	1.7	.11	.09	.10	.11	.12	.13	.13

Continued -

Table 15.--Per capita income and food expenditures of nonfarm families and single consumers, by family income, family size, and region, 1960-61 1/ -Continued

Item	Family size 13/					Region			
	1	2	3	4	5 or more	North-east	North Central	South	West
Family size 2/	1.1 Dol.	2.0 Dol.	3.1 Dol.	4.1 Dol.	6.0 Dol.	3.2 Dol.	3.2 Dol.	3.2 Dol.	3.2 Dol.
Money income after taxes	2,737	2,535	2,082	1,725	1,146	2,000	1,767	1,496	1,928
Total income after taxes 3/ 4/	2,981	2,736	2,238	1,886	1,265	2,171	1,910	1,645	2,099
Food expenditures 4/ 5/	609	530	450	394	305	479	391	346	430
At home	359	410	351	315	249	379	308	264	329
Away from home	231	104	90	71	47	93	74	67	92
Received without expense 5/	19	15	9	8	8	7	9	16	9
Average weekly food expenditures (at home) 6/	8.18	8.24	7.27	6.45	5.07	7.85	6.31	5.63	6.83
Cereal products	.35	.24	.29	.28	.28	.31	.28	.32	.32
Bakery products:									
Bread	.33	.30	.27	.25	.24	.30	.27	.22	.30
Other	.39	.38	.36	.33	.24	.43	.31	.25	.29
Meat, poultry, and fish:									
Meat - total	2.04	2.23	1.93	1.67	1.18	2.09	1.62	1.38	1.64
Beef, fresh and frozen	.85	1.00	.85	.70	.49	.94	.67	.56	.74
Pork, fresh and frozen	.31	.34	.30	.27	.19	.29	.28	.24	.23
Bacon and ham 7/	.33	.32	.25	.23	.16	.21	.25	.24	.23
Other meat 8/	.55	.56	.53	.47	.34	.66	.42	.34	.43
Poultry, fresh and frozen	.36	.38	.27	.25	.19	.33	.22	.26	.24
Fish and shellfish	.18	.22	.19	.16	.13	.25	.12	.13	.18
Milk, cream, and cheese	1.07	1.06	1.00	.97	.82	1.12	.96	.77	1.02
Fluid milk and cream	.60	.59	.63	.39	.55	.74	.64	.45	.64
Cheese	.24	.20	.16	.14	.10	.18	.14	.11	.17
Ice cream and frozen dessert	.13	.14	.13	.13	.10	.13	.13	.10	.13
Other	.11	.09	.08	.07	.08	.08	.06	.11	.09
Eggs	.35	.30	.26	.22	.19	.27	.21	.24	.26
Fats and oils - total	.36	.38	.32	.28	.24	.33	.29	.27	.30
Butter	.15	.14	.11	.08	.06	.13	.12	.03	.08
Margarine	.08	.08	.06	.06	.05	.06	.06	.07	.07
Lard	.02	.02	.02	.01	.02	.01	.01	.03	.01
Other 10/	.12	.15	.14	.13	.11	.13	.11	.13	.14
Fruits and vegetables:									
Fruits - total	.77	.70	.57	.51	.37	.64	.51	.39	.61
Fresh	.36	.35	.26	.24	.18	.30	.24	.19	.30
Canned, including juice	.26	.21	.18	.16	.11	.20	.17	.12	.18
Frozen, including juice 11/	.11	.11	.11	.10	.07	.13	.09	.06	.10
Dried	.04	.03	.02	.01	.01	.02	.02	.01	.03
Vegetables - total	.58	.60	.54	.47	.35	.56	.42	.42	.52
Fresh	.32	.34	.28	.24	.17	.30	.22	.20	.28
Canned, including juice	.16	.16	.15	.13	.11	.15	.13	.12	.14
Frozen	.07	.08	.07	.06	.04	.08	.05	.05	.08
Dried 12/	.03	.03	.04	.03	.04	.03	.02	.05	.03
Potatoes - total	.12	.14	.15	.14	.12	.14	.15	.12	.12
Fresh	.08	.10	.09	.08	.07	.09	.08	.08	.07
Processed	.04	.04	.06	.06	.05	.05	.07	.04	.06
Sugar and sweets	.27	.26	.24	.22	.20	.25	.23	.22	.23
Beverages	.55	.50	.43	.33	.25	.43	.34	.34	.33
Baby foods	.03	.06	.09	.04	.03	.06	.05	.03	.06
Soup	.13	.09	.10	.09	.07	.11	.09	.06	.11
Other food:									
Prepared dishes	.19	.14	.15	.14	.10	.13	.13	.11	.18
Other	.12	.12	.12	.11	.09	.09	.12	.09	.13

1/ Based on 1960-61 Bureau of Labor Statistics Consumer Expenditure Survey. Weekly food expenditure data derived from Expenditure Patterns of the American Family, National Industrial Conference Board. Components may not add to total because of rounding. 2/ NICB data shown; they differ slightly from data published by BLS. 3/ Total of consumer expenditures (including personal insurance and gifts and contributions), net savings (net change in assets and liabilities), the value of items received without expense, and the value of home-produced food. 4/ Income stratification on after-tax basis. 5/ Includes the value of home-produced food and food received without expense. 6/ Expenditures in 7-day period prior to survey interview (in first 6 months of 1961 and 1962). 7/ Includes canned. 8/ Includes canned poultry. 9/ Less than 0.5 cents. 10/ Includes peanut butter. 11/ Includes fresh and chilled juice. 12/ Includes canned baked beans. 13/ NICB data: 1-person families refer to units that have 1.9 equivalent full-year members or less, 2-person to those with 2-2.9 persons, etc. BLS data: 1-person families, 1.0 persons; 2-person unit, 1.1-2.9; thereafter same as NICB classifications.

compared with an analysis of grocery store sales by commodity from a survey conducted annually by Food Topics, and with food sales by merchandise line reported in the 1963 Census of Business. 11/

All of these data sources indicate that around a fourth of the housewife's weekly food budget typically goes for meat or upwards of a third if poultry and fish are included. Fruits and vegetables make up another fifth of the total if potatoes, soups, and baby foods are included. Grocery store sales figures show a little larger proportion, nearly a fourth of food sales, for this group. Dairy products and cereal and bakery products each accounted for a sixth or seventh of the total. A breakdown of sales by grocery stores naturally shows less for dairy products--about a tenth of the total--since they often are home delivered or purchased at dairy stores.

Comparison With 1955 Survey

Comparison of data from the 1960-61 Survey with the 1955 Household Food Consumption Survey shows relatively minor changes in the overall food expenditure pattern. Per capita expenditures for food at home in a week in spring 1955 by nonfarm families totaled $6.92 compared with $6.62 in 1961-62.

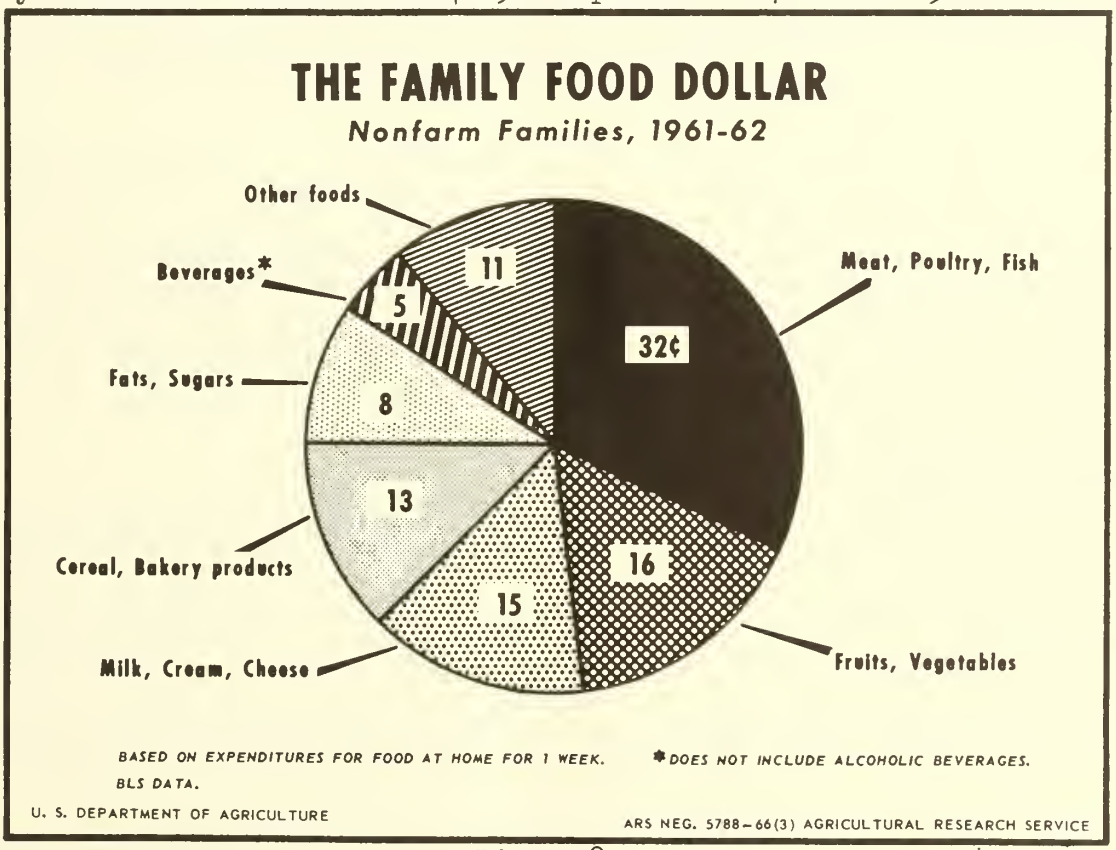

Figure 8

11/ Data from both of these sources are tabulated in "Food and Beverage Sales By the Retail Trade," National Food Situation, NFS-114 (November 1965). pp. 24-29. (Reprinted as ERS-268).

The percentage of the food budget going for meat was about unchanged: More was spent for the major fresh and frozen beef cuts; the same proportion was spent for fresh and frozen pork, but less was allotted for bacon and ham (including canned); spending on cold cuts and frankfurters was up. The data available in the two surveys for the remaining meat items could not be precisely matched. Expenditures for fresh and frozen poultry meat dropped from 5 to 4 percent of the total, apparently because of reduced prices. Fish and seafood retained its position at 2 1/2 percent of the food budget.

Fresh fruits and vegetables dropped from 10 percent of the budget to 7 1/2 percent. Some of this change may be attributed to seasonal differences since the time periods of the surveys were not the same. Processed vegetables was unchanged at 3 1/2 percent, but that for processed fruits increased from 3 to 4 percent. The proportion used for processed fruit in 1955 was slightly less than for processed vegetables. Potatoes showed no change since the decreased proportion going for fresh potatoes was completely offset by processed items.

Relatively large declines were recorded in the budget for dairy products and beverages (excluding alcohol). Sugars and sweets and baby and junior foods both showed a minute increase and eggs a slight decline in the proportion of the food budget. Declines took place for animal fats, but increases for vegetable oils. Generally the 1961-62 survey showed that a larger share of the food budget was going for processed products and less for fresh products.

These changes in allocation of the food budget do not necessarily show changes in consumption patterns; price changes may be equally or more responsible for the change in expenditure patterns. Between 1955 and 1961-62, there were retail price declines for poultry, beverages, and eggs and increases less than that for all foods at home for pork and sugar and sweeteners. Price increases exceeding that for all food occurred for total meat (especially beef and veal), dairy products, fresh fruits and vegetables, and cereal and bakery products.

Spending Pattern by Level of Income

For most foods, per capita expenditures increase at successively higher income levels, but this pattern is not universal. Foods for which expenditures per person increased markedly at higher income levels included bakery products; meats (especially beef); fish and seafood; milk products; fresh, canned, and frozen fruits; and fresh and frozen vegetables. No doubt part of the expenditure increases resulted from increased quantities purchased, but higher prices probably were paid by families in higher income groups. But, generally, these are the groups of foods that have experienced strong demands.

Among items or groups of foods for which expenditures per person did not increase noticeably at higher income levels, or even declined, were poultry, canned fruit juice, canned vegetables and juice, dried fruits and vegetables, fresh and frozen potato products, sugar and sweets, beverages (except soft drinks), eggs, fats and oils, and cereal products. Since higher prices

probably were paid by higher income families for these foods too, decreased expenditures by level of income probably indicate decreased consumption.

These trends within commodity groups obviously altered the proportions of the food dollar spent by income level. Families at higher income levels spent proportionately more for beef and fish but less for poultry. The proportion spent for bakery products remained at a constant 9 percent across the income scale, but that for cereals declined from 5 percent at lower incomes to 3 percent in the $15,000-and-over income level.

Increased proportions of total spending at higher income levels went for total processed fruit but processed vegetables accounted for around 3 1/2 percent of the food budget for all income levels. The pattern of spending for fresh fruits and fresh vegetables was almost identical, going from 3.5 percent to 4.4 percent of the total at the highest income level. The proportion spent for potatoes remained constant over the income range, with slightly decreasing expenditures for fresh potatoes about offset by increased purchases of chips and frozen potato products at higher income levels.

The proportion of food budget allocated to sugar and sweets, beverages, eggs, and fats and oils declined at succeedingly higher income levels. These are items for which expenditures per person were about equal over the income range; the only factor affecting proportion spent was the increasing size of the total food budget.

Spending Pattern
By Region

Families in the Northeast spent more per person than the U.S. average for each of the major food groups; in the South they spent less; and in the North Central region the same or less. Families in the West spent slightly less than average for meat, poultry, potatoes, and beverages and more for each other major food group except bakery products and fats and oils. Northeastern families spent a greater percentage of their food budget for bakery products, meat, and fish than in any other region; North Central families allocated the most to dairy products and potatoes; the South the most to cereal products, sugar and sweets, beverages, eggs, and fats and oils; and the West rated fruits and vegetables a relatively higher position in the budget than any other region.

Spending Pattern By
Size of Family

There were no major food groups for which expenditures per capita were larger for large families than for small families, probably because total food expenditures per capita declined significantly with family size. Part of the reason probably was due also to the economy of scale of feeding more people. With lower incomes per capita, large families likely bought less expensive cuts of meats and other foods. Relative to small families, large families were found to spend less of their food budget for meat, poultry, and fish; fruits and vegetables, and beverages, and to spend more for dairy products, cereal and bakery products, and sugar and sweets.

Table 16 --Production of major food commodities, calendar years, selected periods, 1947-66 1/

Commodity	Unit	Average 1947-49	Average 1957-59	1963	1964	1965 preliminary	Preliminary estimates for 1966 2/	1966 as a percentage of 1947-49	1966 as a percentage of 1957-59	1966 as a percentage of 1965
Meats (carcass weight) - Total	Mil.lb.	22,100	26,612	30,595	32,705	31,560	31,850	144	120	101
Beef	Mil.lb.	9,649	13,704	16,450	18,448	18,718	19,100	198	139	102
Veal	Mil.lb.	1,454	1,240	928	1,011	1,018	950	65	77	93
Lamb and mutton	Mil.lb.	716	711	770	715	651	600	84	84	92
Pork (excluding lard)	Mil.lb.	10,281	10,957	12,447	12,531	11,173	11,200	109	102	100
Poultry and eggs 3/										
Eggs	Mil.doz.	5,086	5,475	5,318	5,368	5,382	5,450	107	100	101
Chicken (ready-to-cook)	Mil.lb.	2,753	4,880	6,077	6,257	6,654	7,200	262	148	108
Turkey (ready-to-cook)	Mil.lb.	491	1,065	1,342	1,436	1,508	1,680	342	158	111
Dairy products										
Total milk	Bil.lb.	4/116.3	123.3	125.0	127.0	125.1	122.0	105	99	98
Cheese 5/	Mil.lb.	1,160	1,396	1,632	1,726	1,743	1,875	162	134	108
Condensed and evaporated milk	Mil.lb.	3,497	2,789	2,369	2,394	2,220	2,260	65	81	102
Ice cream (product weight)	Mil.lb.	2,758	3,212	3,444	3,531	3,614	3,700	134	115	102
Fats and oils - Total fat content 6/	Mil.lb.	7,627	11,070	13,684	14,053	14,219	14,536	191	131	102
Butter (actual weight)	Mil.lb.	1,611	1,477	1,453	1,468	1,357	1,165	72	79	86
Lard 7/	Mil.lb.	2,419	2,584	2,476	2,476	2,050	1,900	79	74	93
Margarine (actual weight)	Mil.lb.	839	1,549	1,794	1,857	1,904	2,080	248	134	109
Shortening	Mil.lb.	1,434	2,022	2,584	2,664	2,764	2,950	206	146	107
Other edible fats and oils 8/	Mil.lb.	3,912	7,297	10,038	10,395	11,077	11,750	300	161	106
Fruits										
Fresh:										
Citrus	Mil.lb.	8,783	6,695	4,852	5,688	6,400	6,800	77	102	106
Apples (commercial)	Mil.lb.	3,775	3,972	3,775	3,988	3,780	3,800	101	96	101
Other (excluding melons)	Mil.lb.	4,493	4,082	3,687	3,793	3,861	3,800	85	93	98
Processed:										
Canned fruit	Mil.lb.	2,597	3,591	4,371	5,418	4,712	5,100	196	142	108
Canned fruit juices	Mil.lb.	2,230	2,130	2,668	2,293	2,365	2,700	121	127	114
Frozen (including juice)	Mil.lb.	415	1,556	1,232	1,533	1,657	1,700	410	109	103
Dried	Mil.lb.	961	697	774	829	867	800	83	115	92
Vegetables 9/										
Fresh 10/	Mil.lb.	18,504	19,921	21,391	21,196	21,692	21,600	117	108	100
Canned	Mil.lb.	5,993	7,620	8,615	8,494	8,814	9,643	161	127	109
Frozen	Mil.lb.	439	1,183	1,455	1,507	1,778	1,800	410	152	101
Potatoes and sweetpotatoes										
Potatoes	Mil.cwt.	248	252	272	240	290	295	119	117	102
Frozen potato products	Mil.lb.	9	287	861	1,118	1,219	1,400	15,556	488	115
Sweetpotatoes	Mil.cwt.	25.3	18.2	15.8	15.3	18.7	15.7	62	86	84
Dry edible beans 11/	Mil.lb.	1,854	1,797	2,061	1,779	1,650	2,019	109	112	122
Dry field peas 11/	Mil.lb.	401	376	476	474	405	293	73	78	72
Melons 10/	Mil.lb.	4,061	4,454	4,742	4,292	4,490	4,330	107	97	96
Sugar, raw basis	1,000 tons	2,066	2,732	4,870	5,587	5,371	5,375	260	197	100
Grains										
Wheat	Mil.bu.	1,251	1,178	1,142	1,291	1,327	1,240	99	105	93
Rye	Mil.bu.	23.1	28.3	29.2	33.3	33.3	26.0	113	92	78
Rice, rough	Mil.cwt.	35.3	45.7	66.1	70.3	73.1	76.9	218	168	105
Corn, grain only	Mil.bu.	2,787	3,409	4,092	3,584	4,171	4,221	151	124	101
Oats	Mil.bu.	1,282	1,248	979	880	959	897	70	72	94
Barley	Mil.bu.	278	448	406	403	412	381	137	85	92
Peanuts, farmers' stock	Mil.lb.	2,128	1,613	2,022	2,205	2,503	12/	---	---	---

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated.
2/ Based on the best available information but subject to revision in line with later data from the Crop Reporting Board.
3/ Includes an allowance for nonfarm production.
4/ Includes an allowance for nonfarm production of 1.1 billion pounds in 1947-49.
5/ Excludes full skim, cottage, pot, and bakers' cheese.
6/ Includes butter, lard, and "other edible fats and oils."
7/ Includes amount used in manufactured food and nonfood products.
8/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils, oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items.
9/ Excludes potatoes and sweetpotatoes.
10/ Covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use.
11/ Cleaned basis.
12/ Not available.

Table 17.--Retail food price indexes and Consumer Price Index, selected periods

(Index, 1957-59=100)

Year and month	Food at home															Food away from home	All food	Consumer Price Index
	Meats			Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total			
	Beef and veal	Pork	Total 1/						Fresh	Processed	Total							
1935-39	36.5	43.2	37.8	68.7	28.9	60.3	45.9	65.4	37.3	50.2	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7
1947-49	86.8	92.8	86.7	132.5	86.4	122.7	88.3	117.9	78.4	88.6	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5
1950	97.0	87.8	91.4	126.1	89.0	104.7	84.7	94.2	76.6	81.7	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8
1951	113.3	93.1	103.6	132.1	101.6	127.4	94.5	110.3	83.1	92.4	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5
1952	112.4	92.1	102.6	132.6	99.0	116.3	98.5	93.5	96.6	91.0	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5
1953	88.6	102.5	95.8	129.3	95.3	123.2	96.8	93.9	91.1	93.2	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2
1954	85.3	105.7	95.3	116.7	95.8	103.1	93.7	98.9	89.3	92.6	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6
1955	84.4	91.0	87.7	121.5	93.9	106.5	93.6	95.9	91.0	93.4	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3
1956	83.1	86.4	84.8	106.5	93.8	105.9	96.0	98.0	96.3	96.3	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7
1957	89.2	99.5	94.2	103.8	95.0	100.9	98.8	102.4	97.0	94.2	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0
1958	103.8	106.1	104.9	102.6	101.6	106.1	100.3	101.2	104.0	100.8	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7
1959	106.9	94.4	101.0	93.5	103.4	92.9	101.0	96.5	99.1	105.0	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5
1960	104.2	93.8	99.2	95.0	103.5	100.1	103.2	92.1	105.2	101.4	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1
1961	102.5	98.2	100.5	85.8	105.8	100.1	104.8	98.6	103.5	105.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.2
1962	106.2	99.1	102.5	90.7	110.2	94.6	104.1	98.5	106.3	102.6	105.0	107.6	101.4	89.3	102.2	110.7	103.6	105.4
1963	105.0	96.6	100.9	89.3	110.0	96.0	103.8	95.7	112.6	108.3	111.0	109.1	110.1	90.4	103.5	113.2	105.1	106.7
1964 6/	101.9	96.1	99.4	87.3	107.4	95.0	104.7	95.4	119.2	110.8	115.3	109.6	115.5	101.4	104.7	115.2	106.4	108.1
Jan.	102.2	94.8	99.0	87.4	108.8	106.0	105.0	96.2	113.2	112.0	112.4	109.1	117.9	93.4	104.2	114.3	105.8	107.7
Feb.	102.2	94.7	99.0	87.1	108.5	101.4	104.8	95.9	115.6	112.2	113.9	109.0	118.3	95.7	104.4	114.4	106.0	107.6
Mar.	100.6	93.6	97.9	86.5	107.1	93.3	104.5	95.1	117.7	112.2	115.1	108.8	117.6	98.6	104.0	114.7	105.7	107.7
Apr.	100.5	93.3	97.7	85.7	107.1	90.8	104.1	95.4	118.6	112.5	115.7	108.8	117.0	101.0	103.9	114.9	105.7	107.8
May	99.7	92.8	97.3	85.7	106.9	85.3	103.9	95.0	119.0	111.9	115.7	108.9	116.6	102.4	103.7	115.0	105.5	107.8
June	99.0	93.5	97.2	87.5	106.5	83.3	104.0	94.6	127.4	111.4	120.2	109.2	115.5	103.4	104.4	115.1	106.2	108.0
July	101.4	97.2	99.5	89.1	106.5	87.9	104.3	95.0	131.4	111.1	122.3	109.2	114.3	103.8	105.7	115.2	107.2	108.3
Aug.	101.7	98.8	100.2	87.5	106.6	93.8	104.4	94.7	123.0	110.3	117.3	109.6	114.2	104.1	105.3	115.3	106.9	108.2
Sept.	105.1	102.7	103.0	87.7	106.4	104.9	104.6	94.7	114.5	109.6	112.2	109.9	114.0	103.7	105.6	115.5	107.2	108.4
Oct.	104.6	99.7	101.9	88.2	107.2	100.3	105.3	95.4	114.1	109.1	111.7	110.4	113.9	103.4	105.3	115.7	106.9	108.5
Nov.	103.3	96.9	100.4	87.8	108.0	98.5	105.3	96.1	116.4	109.0	113.0	110.7	113.7	103.4	105.1	115.9	106.8	108.7
Dec.	102.9	95.4	99.8	87.9	108.7	94.9	105.6	97.6	119.4	108.6	114.5	111.0	113.4	103.4	105.1	116.0	106.9	108.8
1965	106.8	109.4	106.9	90.0	110.6	92.8	105.0	102.9	121.7	107.3	115.2	111.2	113.5	100.6	107.2	117.8	108.8	109.9
Jan.	103.1	96.2	100.1	86.7	109.3	91.6	105.6	100.7	115.7	108.6	112.4	111.1	113.5	103.3	104.8	116.1	106.6	108.9
Feb.	102.4	97.0	100.0	89.2	110.1	86.1	105.2	102.2	118.2	107.5	113.3	110.7	113.3	103.0	104.8	116.3	106.6	108.9
Mar.	102.6	97.4	100.3	88.9	109.9	83.5	105.0	102.5	122.2	106.9	115.3	110.9	113.6	101.5	105.0	116.5	106.9	109.0
Apr.	102.6	97.5	100.4	89.0	110.1	88.6	104.5	103.4	126.4	106.7	117.6	111.0	113.7	100.4	105.5	116.8	107.3	109.3
May	103.9	98.6	101.3	87.4	110.3	87.5	104.2	103.6	133.5	106.2	121.4	110.8	113.7	99.8	106.2	116.9	107.9	109.6
June	109.6	108.9	108.0	93.5	110.4	83.9	104.0	103.9	141.6	105.8	125.9	111.0	113.9	100.2	108.8	117.2	110.1	110.1
July	110.9	117.2	111.6	93.0	110.8	87.2	104.3	103.5	138.6	106.1	124.3	111.1	113.8	100.2	109.7	117.6	110.9	110.2
Aug.	110.1	119.9	112.5	92.3	111.1	90.5	105.0	103.3	121.2	106.4	114.6	111.1	113.9	100.4	108.6	118.2	110.1	110.0
Sept.	109.8	119.9	112.5	92.0	111.0	98.6	105.3	103.1	110.2	106.7	108.5	111.3	113.8	100.1	108.0	118.8	109.7	110.2
Oct.	109.1	118.8	111.8	89.5	111.1	103.5	105.5	103.0	109.7	107.4	108.5	111.3	113.8	99.8	107.8	119.2	109.7	110.4
Nov.	108.3	118.3	111.3	89.5	111.3	102.6	105.8	102.9	111.2	108.8	109.9	111.4	112.4	99.5	107.8	119.6	109.7	110.6
Dec.	108.9	122.8	113.3	89.4	111.5	109.6	106.1	102.8	112.2	110.0	111.0	112.2	112.0	99.5	108.9	119.9	110.6	111.0
1966																		
Jan.	109.4	130.9	116.6	90.2	112.0	105.0	106.6	103.4	112.5	110.3	111.3	113.0	111.0	99.2	109.8	120.4	111.4	111.0
Feb.	111.4	133.2	118.8	97.5	113.1	109.1	107.0	103.9	121.5	110.6	116.5	113.2	110.6	99.2	111.8	120.8	113.1	111.6
Mar.	113.9	131.7	119.8	99.2	114.7	108.5	108.1	105.4	122.8	110.8	117.4	113.6	110.8	99.3	112.6	121.2	113.9	112.0
Apr.	115.1	124.6	118.1	98.8	116.1	105.9	108.9	106.2	127.1	111.0	119.8	114.1	110.8	99.8	112.7	121.6	114.0	112.5
May	113.3	121.6	116.3	95.9	118.2	98.8	109.3	107.1	126.3	110.6	119.2	114.3	111.0	100.2	112.0	122.2	113.5	112.6
June	112.8	123.9	116.6	96.3	118.0	89.1	109.6	106.9	131.1	110.1	121.7	114.7	110.6	100.8	112.3	122.8	113.9	112.9
July																		
Aug.																		
Sept.																		
Oct.																		
Nov.																		
Dec.																		

1/ Beef, veal, lamb and mutton, pork, and processed meat.
2/ Chicken only prior to 1964.
3/ Includes butter.
4/ Excludes butter.
5/ Data not collected prior to 1953.
6/ Revised beginning January 1964. Item selection and quantity weights reflect the buying pattern of wage earners and clerical workers in 1960-61 and for the first time include single person families. Series are linked at December 1963. The averages for fats and oils after December 1963 are computed by Economic Research Service using data for items additional to those in the CPI.

Bureau of Labor Statistics.

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2/ May be obtained from State Experiment Station.

3/ For sale by Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.

4/ Available from Division of Economics, Bureau of Commercial Fisheries, U. S. Department of the Interior. Washington, D. C. 20240.

5/ Report issued by Economic Research Department, Florida Citrus Commission, 1115 E. Memorial Boulevard, Lakeland, Florida.

6/ Single copies may be obtained from U. S. Department of Labor, Office of Prices, Bureau of Labor Statistics, Washington, D. C. 20212.

7/ Limited supply; single copies available for distribution to public or private research organizations or institutions or for general or department libraries.

8/ May be obtained from Information Division, Agricultural Research Service, Federal Center Building, Hyattsville, Maryland 20781.

9/ May be obtained from Department of the Interior, Federal Extension Service, Washington, D. C. 20240.

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1967 OUTLOOK ISSUE

1.941
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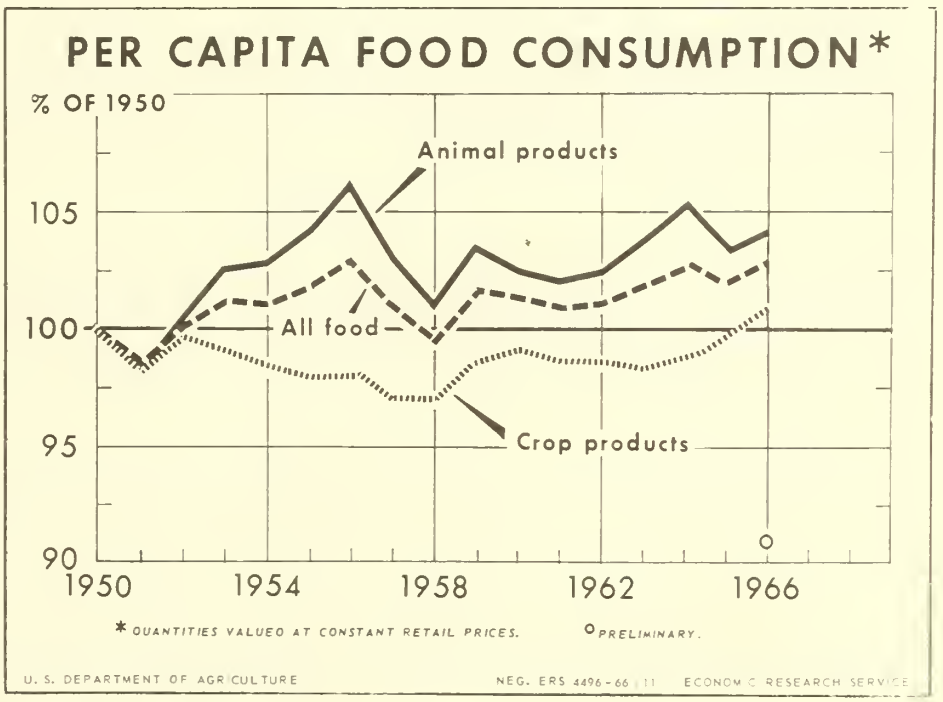
NATIONAL FOOD SITUATION

NFS-118 For Release November 18, A.M. NOVEMBER 1966

Per capita food consumption in 1966 is averaging nearly 1 percent larger than in 1965, despite a 4 1/2 to 5 percent increase in retail food prices. A further, although smaller, rise in food consumption is likely in 1967.

Both animal and crop products shared in the gain in per capita consumption in 1966. Increases for poultry meat, beef, vegetable oils, and potatoes more than offset declines for pork, dairy products, animal fats, and vegetables. In 1967, a rather large increase is probable in per capita consumption of crop products, spearheaded by a large increase for citrus fruits; little change is expected in consumption of total animal products.



IN THIS ISSUE

Food Expenditures in 1965

Nutritional Review

Published quarterly by
ECONOMIC RESEARCH SERVICE • U. S. DEPARTMENT OF AGRICULTURE

Table 1.--Volume of farm marketings and home consumption 1/

(Index numbers, 1957-59=100)

Item	1947-49 average	1959	1960	1961	1962	1963	1964	1965	1966 preliminary 2/	1966 as a percentage of 1947-49	1966 as a percentage of 1965
Marketings and home consumption of all farm commodities	86	104	107	108	109	114	116	117	117	136	100
Food marketings and home consumption	87	103	104	107	107	111	113	115	117	134	102
Food marketings	82	103	105	109	109	113	116	117	120	146	103
Total food livestock 3/	79	103	104	108	110	114	118	118	120	152	102
Meat animals	81	103	105	108	110	116	121	120	124	153	103
Poultry and eggs	66	105	105	113	113	116	120	124	131	198	106
Dairy products	84	100	102	106	107	107	109	108	106	126	98
Total food crops 4/	98	105	108	110	107	110	110	116	117	119	101
Food grains 5/	102	106	117	114	102	111	108	118	121	119	103
Vegetables 6/	91	103	104	109	110	110	108	110	109	120	99
Fruit and nuts 7/	92	106	99	103	107	101	106	112	114	124	102
Sugar crops	78	105	105	115	117	152	155	145	142	182	98
Home consumption	161	94	87	81	75	73	67	61	61	38	100
Livestock	159	93	82	75	73	69	64	58	58	36	100
Crops	168	97	98	94	80	83	74	70	69	41	99
Nonfood marketings 8/	82	109	114	110	116	125	124	123	120	146	98

1/ Quantities of farm products weighted by average 1957-59 farm prices since 1955, 1947-49 prices in earlier years. Excludes Alaska and Hawaii. 2/ Indications for 1966 are based on calendar-year quantities estimated as of October 1, 1966. 3/ Includes honey. 4/ In addition to the crops listed below, includes peanuts, peppermint, popcorn, and spearmint. 5/ Wheat, rye, rice, and buckwheat. 6/ Truck crops for fresh use and processing, potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans, and melons 1955 to date. 7/ Except peanuts and, beginning 1955, melons. 8/ There are no nonfood items in the home consumption index.

Table 2.--Food consumption per capita 1/

(Index, 1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy, excluding butter	Fats and oils, incl. butter	Fruits 2/ Fresh	Fruits 2/ Processed	Fruits 2/ Total	Vegetables 3/ Fresh	Vegetables 3/ Processed	Vegetables 3/ Total	Potatoes and sweetpotatoes	Cereal products	Sugar and sweeteners	Coffee, tea, and cocoa	All food Animal products	All food Crops 4/	All food Total
1910	96	49	107	82	70	101	148	14	80	114	24	85	208	149	54	65	87.2	87.0	86.9
1920	90	45	113	81	80	91	154	31	92	119	30	90	163	129	63	79	85.4	87.7	86.2
1930	85	52	97	89	83	113	145	35	89	126	47	100	138	131	85	81	86.3	95.7	89.9
1940	93	52	102	86	87	115	153	57	105	130	57	107	127	120	86	101	91.0	100.7	94.8
1941	94	56	108	84	90	116	161	53	107	129	61	107	134	121	94	104	92.3	103.6	96.7
1942	93	63	84	84	96	112	137	52	94	134	67	112	136	122	83	86	93.5	99.2	95.6
1943	98	78	75	92	96	97	122	45	84	139	61	114	137	135	77	81	96.2	98.7	97.0
1944	103	70	84	94	98	96	146	45	95	147	61	119	145	124	84	96	98.4	103.0	100.1
1945	97	76	94	107	104	91	144	57	101	150	74	126	129	130	69	100	99.4	104.0	101.0
1946	102	70	101	101	110	91	144	78	111	139	83	121	128	128	74	122	101.6	106.6	103.5
1947	102	64	96	104	104	97	149	67	108	127	76	111	126	115	94	108	100.0	103.8	101.4
1948	95	63	101	106	100	95	138	69	104	125	72	108	105	114	89	112	96.0	101.7	98.1
1949	95	67	102	105	99	98	135	73	104	118	75	104	109	113	91	115	96.1	101.5	98.1
1950	95	73	111	108	99	104	120	79	100	114	81	104	105	112	101	103	97.6	102.5	99.4
1951	90	77	106	109	99	94	125	78	102	111	84	103	105	115	94	105	95.8	100.8	97.6
1952	95	80	105	109	100	97	120	88	104	108	88	103	95	113	98	105	98.1	102.1	99.5
1953	102	79	103	106	99	98	113	90	102	106	91	102	100	110	97	107	100.0	101.6	100.5
1954	101	84	104	105	100	102	108	91	101	104	90	100	100	108	99	95	100.2	100.9	100.4
1955	106	79	97	104	101	103	102	98	100	104	96	102	101	102	100	96	101.7	100.4	101.1
1956	108	88	98	103	102	101	103	100	102	103	98	102	97	101	101	101	103.6	100.6	102.3
1957	102	94	97	102	101	99	101	103	102	102	98	101	98	99	98	100	100.6	99.6	100.2
1958	97	101	98	99	100	100	98	97	97	99	101	100	97	101	101	98	98.5	99.4	98.9
1959	101	105	105	99	100	101	101	100	101	98	101	99	105	100	101	102	100.9	101.0	101.0
1960 5/	102	102	102	94	99	99	98	104	101	100	102	100	109	99	102	101	99.9	101.6	100.7
1961 5/	101	112	102	91	97	99	95	102	98	99	102	100	110	98	102	102	99.6	101.1	100.3
1962 5/	102	110	102	91	97	99	90	106	98	96	107	99	114	97	103	104	99.9	101.1	100.4
1963 5/	105	112	101	89	98	100	82	97	89	96	107	99	119	97	102	106	101.2	100.8	101.1
1964 5/	108	115	99	88	98	103	88	92	90	95	109	99	122	99	103	103	102.8	101.4	102.2
1965 5/	104	121	104	87	98	102	89	96	92	95	112	100	124	100	104	100	101.0	102.3	101.6
1966 5/ 6/	104	130	103	85	98	103	90	99	94	93	112	98	130	99	104	101	101.5	103.3	102.3

1/ Civilian consumption, beginning 1941. Individual food items are combined in terms of 1947-49 retail prices through 1954, 1957-59 retail prices thereafter; indexes are linked at 1955. 2/ Excluding melons and baby food. 3/ Excluding soups, baby food, dry beans and peas, potatoes, and sweetpotatoes. 4/ Including melons, dry beans and peas, nuts, soups, and baby food in addition to groups shown separately. 5/ Incorporates data for Alaska and Hawaii. 6/ Preliminary.

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, November 7, 1966

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SUMMARY

Food expenditures in 1966 are totaling around $92 billion, an increase of 7 or 8 percent from 1965. In 1967, food expenditures again are expected to increase but the increase is not likely to be as large as in 1966. Expenditures in 1966 are averaging around $465 per capita, 6 percent above 1965.

The 1966 increase in food expenditures is about matched by a cmmparable rise in disposable personal income. As a result, about 18.2 percent of disposable personal income is being spent for food in 1966, the same as in 1965. A slight decline in the percentage is likely in 1967.

Most of the increase in food expenditures in 1966 is due to the 4½ to 5 percent increase in retail food prices. Per capita food consumption and population each are increasing around 1 percent. An exceptionally strong demand for food is implied by the simultaneous increase in prices and consumption. Per capita food consumption is increasing at the same time that large exports and military food takings are buoying food markets.

Retail food prices in the first 3 quarters of 1966 averaged 5 percent above a year earlier. Prices in the fourth quarter likely are edging downward from the third quarter peak in response to price declines at wholesale since September, but prices probably are remaining above a year earlier. Per capita civilian supplies are expected to be slightly larger in 1967 than in 1966. However, continuing strong demands accompanied by rising costs for processing and distribution likely will result in further increases in retail food prices. Although the rise is not expected to be nearly as large as in 1966, it probably will exceed those of most recent years.

Retail pork prices this winter are expected to weaken further from peak levels in early 1966 but beef prices may strengthen. Meat prices in 1967 likely will average above those in 1966. Lower prices are in prospect for pork and poultry as a result of increased production currently underway. However, retail beef prices likely will average above 1966 levels in view of an anticipated decline in beef slaughter. Production increases currently underway for eggs and dairy products are expected to result in lower retail prices for eggs and slight price increases for dairy products.

Substantially larger production of citrus fruit this winter is expected to lower prices for these products, barring serious freeze damage. Prices for fresh vegetables late this year are expected to remain relatively high, but 1967 prices may average below a year earlier. Retail prices for bread and other cereal and bakery products probably will rise slightly in 1967, as they have in most recent years, but not as much as in 1966.

FOOD PRICES

Retail food prices in third quarter 1966 averaged $4\frac{1}{2}$ percent above a year earlier (table 3, fig. 1). Wholesale prices of food products in the third quarter were up 7 percent and prices received by farmers for all commodities were up 9 percent. These increases each exceeded the 3 percent average increase for all consumer prices.

Retail prices in the third quarter were not as much above a year earlier as during the first 2 quarters. First-half 1966 prices were up 5 percent from a year earlier. Prices in the fourth quarter probably will continue this progressive decline when compared with a year earlier and for the year average $4\frac{1}{2}$ to 5 percent above 1965. The 1966 price rise is twice that in 1965 and the largest annual increase since an 11 percent jump in 1951.

Retail food prices reached a record high during August. A large part of the price strength in August was due to relatively high fresh fruit and vegetable prices. These prices were unseasonally high because adverse weather cut production. Higher prices prevailed for dairy products, eggs, and cereal and bakery products. As a result, third-quarter prices increased 1.3 percent over the second quarter.

Fourth-quarter retail prices probably will reflect lower wholesale prices that became noticeable after mid-September. In October, the wholesale price index for farm products was 4 percent below September and the processed foods index was down 1 percent. Prices received by farmers in October were down $1\frac{1}{2}$ percent from September. Price declines occurred for meat, poultry, eggs, and wheat. In the week ended November 1, the wholesale farm products index was down another 2 percent from the October average and the processed foods index was down an additional 1 percent.

The unusual price rise that developed in 1966 can be traced partly to reduced supplies of some important foods but most was due to the strong advance in demand for food products. Prices U.S. farmers received for food products in

Table 3.--Food and farm product prices, 1964-66

(1957-59=100)

Item	1964	1965					1966			
		I	II	III	IV	Year	I	II	III	
									Index	Percentage change from 1965 III
Retail food prices:										Percent
Food at home	104.7	104.9	106.8	108.8	108.2	107.2	111.4	112.3	113.7	4.5
Food away from home	115.2	116.3	117.0	118.2	119.6	117.8	120.8	122.2	124.0	4.9
All food	106.4	106.7	108.4	110.2	110.0	108.8	112.8	113.8	115.2	4.5
Wholesale prices:										
Farm products	94.3	94.3	98.8	99.5	100.9	98.4	106.2	105.0	108.2	8.7
Processed foods	101.0	102.0	103.9	106.7	108.0	105.1	111.2	110.6	113.2	6.1
All Food 1/	100.8	101.4	104.1	105.4	107.0	104.5	110.2	109.4	112.5	6.7
Prices received by farmers:										
Crops	107	104	109	101	99	103	103	107	108	6.9
Livestock and products	91	93	99		108	101	117	111	114	8.6
Total	98	98	103	103	104	102	110	109	112	8.7
Market Basket of U.S. farm foods:										
Retail cost	103.2	103.2	105.7	108.0	107.2	106.1	111.0	111.5	113.2	4.8
Farm-retail spread	107.7	106.4	105.7	108.1	105.9	106.6	107.6	110.4	111.1	2.8
Farm value	96.4	98.7	105.7	108.0	109.3	105.4	116.2	113.1	116.8	8.1

1/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from farm product group.

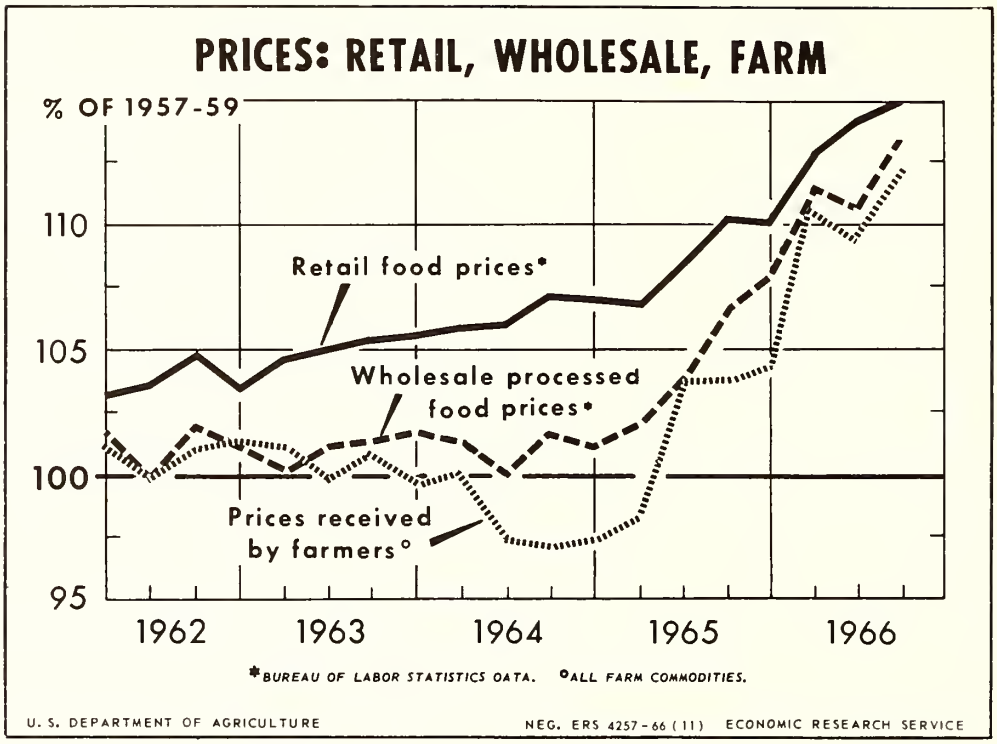

Figure 1

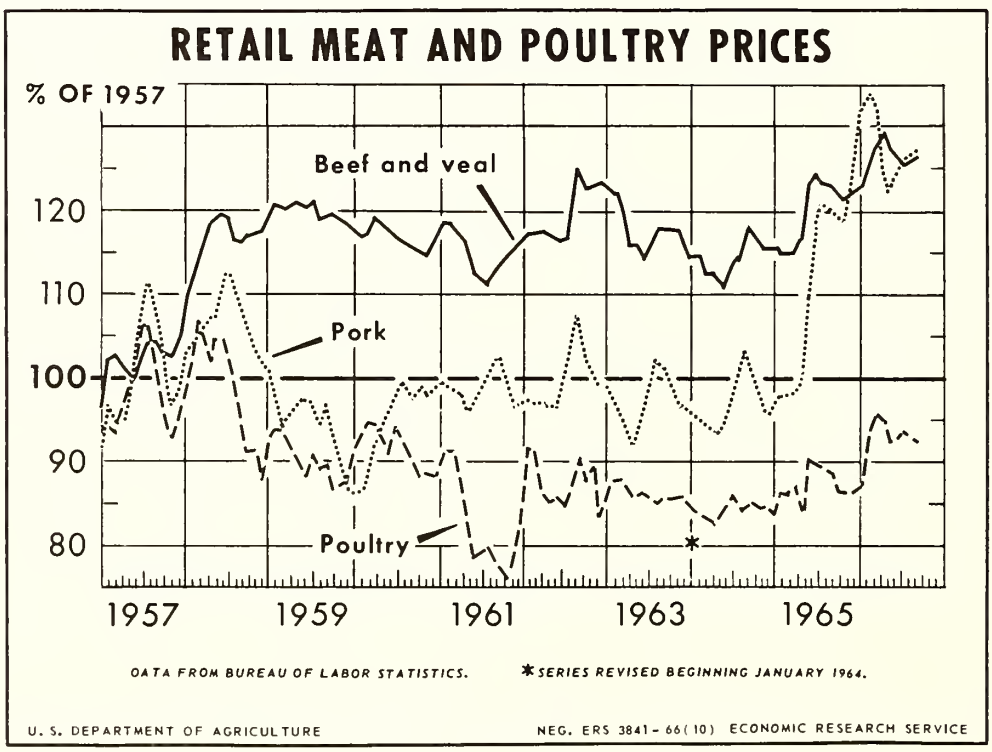

Figure 2

the first 3 quarters of the year averaged 11 percent above a year earlier, whereas costs of marketing a fixed quantity of U.S. farm originated food products (including processing and distribution) increased 3 percent. The increased demand for farm products stemmed from rising demand for food, both by civilians and the military, larger exports, and stepped-up demand for feed.

Competing uses of food products appeared to be particularly important in affecting food prices this year. The per capita food consumption index actually increased despite higher prices. Typically, such an increase occurs only at steady or lower prices. This year, however, prices for many foods in relatively short supply increased dramatically; for example, pork prices were up 20 percent in the first 9 months. At the same time, many foods for which supplies increased also showed price advances; for example, beef and poultry.

Up Again in 1967

Retail food prices are expected to average higher in 1967 than in 1966. A generally strong economy, buttressed by increasing defense requirements, will mean larger demand for food from all sectors. However, demand expansion is not expected to be as robust as in 1966. Increasing supplies of many farm products are expected to hold farm prices close to this year's levels, in contrast to sharp increases in 1966. As a result, retail food prices for the year are not expected to increase as much as the $4\frac{1}{2}$ to 5 percent increase in 1966, but the increase may average larger than in most recent years.

Animal Product Prices

Reduced meat supplies during the first half of 1966 resulted in higher prices early in the year, but by September prices averaged 2 percent below the high point reached in March (table 21). Beef prices were relatively stable; most of the decline was for pork (fig. 2). Meat prices during the first 9 months of 1966 averaged 12 percent above a year earlier but in July-September averaged only 4 percent higher. Meat prices late in the year are expected to weaken, particularly for pork Pork prices likely will average lower next year because of increasing supplies. But, beef prices may increase, particularly after midyear. Meat prices increased more than prices for most other major food groups in 1965 and 1966 (fig. 3).

The demand for poultry meat was especially strong this year due in part to relatively high red meat prices; poultry prices were up 7 percent (9-month average) at the same time that supplies were up about a tenth. Rising poultry production and lower red meat prices are resulting in lower poultry prices this winter.

Egg prices have been relatively high all year; in the first 9 months they averaged 17 percent above a year earlier. Prices are expected to decline noticeably this winter and next spring. The normal seasonal decline that occurs at this time may be accentuated by a production increase already underway.

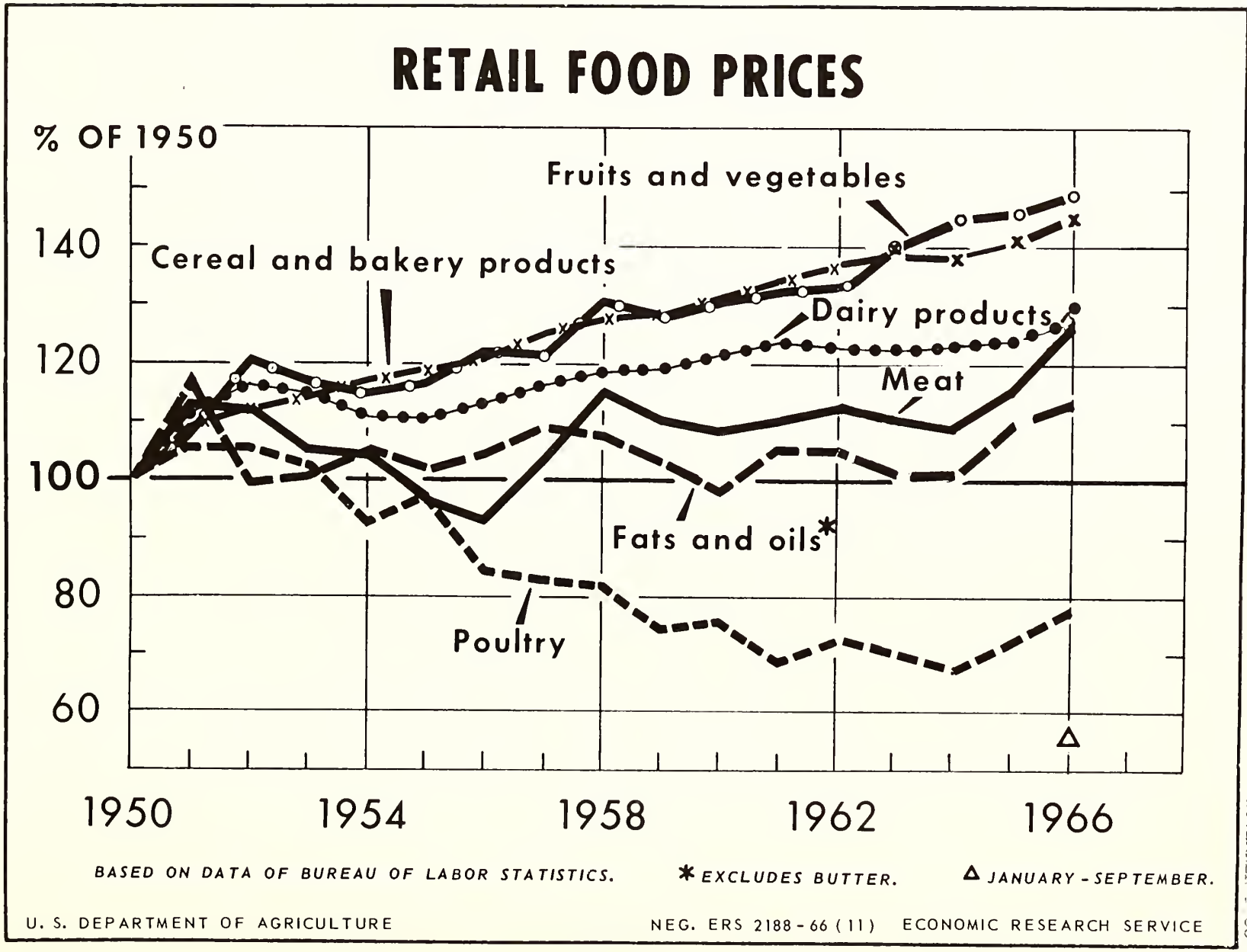
RETAIL FOOD PRICES
% OF 1950
140
120
100
80
60
Fruits and vegetables
Cereal and bakery products
Dairy products
Meat
Fats and oils*
Poultry
△
1950
1954
1958
1962
1966
BASED ON DATA OF BUREAU OF LABOR STATISTICS.
* EXCLUDES BUTTER.
△ JANUARY - SEPTEMBER.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 2188-66 (11) ECONOMIC RESEARCH SERVICE

Fig. 3

Demand for fishery products also was up this year. Prices in the first 9 months averaged 6 percent above a year earlier with only a slight drop in per capita supplies of total fishery products. Slightly higher prices are expected in 1967.

Dairy product prices typically declined slightly during the first half of the year when production increases seasonally. This year, however, prices rose steadily through September--when they averaged 10 percent above a year earlier. For the 9 months, prices averaged 5 percent above a year earlier; supplies were about 2 percent smaller. These are strong price increases for dairy products--prices usually only inch upward. The price increase can be traced to a production decline, but strong demands for certain items, such as cheese, were contributing factors. Retail prices are expected to remain strong this winter. A modest milk production increase is underway, but with higher producer prices for milk, retail dairy product prices in 1967 likely will be above those in 1966.

A recent study by the Federal Trade Commission of out-of-store milk prices in 24 cities showed that prices increased an average of 3.9 cents per half gallon between January and August 1966.1/ Of this increase, returns to farmers accounted for 2.0 cents, to processors 0.9 cent, and to retailers 1.0 cent. Prices varied considerably among the cities studied. Nine cities had an average increase of 5.9 cents and 7 cities had an average increase of only 0.8 cent.

Crop Product Prices

Prices for food fats and oils, excluding butter, in the first 9 months of 1966 averaged 3 percent above a year earlier. Price increases for animal fats reflected much reduced supplies of butter and lard. Vegetable oil product prices reflected increased prices for cottonseed oil, soybean oil, and animal fats. These prices, in turn, partly resulted from the strong world demand for soybeans and products. Prices for food fats and oils are expected to average slightly higher again in 1967, particularly during the first half.

Consumers can look for relatively favorable prices for citrus products this winter and into mid-1967. Prices are expected to average below a year earlier for both orange and grapefruit products. Expected increases in the packs of peaches, pears, and fruit cocktail probably will mean steady prices for these items. But reduced supplies of apple products may mean increased prices.

Prices for fresh vegetables late this year are expected to remain relatively high, continuing the pattern of recent months. Next year, however, prices may average below 1966. The supply of canned vegetables for use into mid-1967 is expected to be about the same as a year earlier, and some further

1/ Federal Trade Commission, Economic Report on Milk and Bread Prices, October 1966. This price increase compares with a U.S. average increase of 3.4 cents per half gallon reported by Bureau of Labor Statistics for January-August 1966.

increase is expected in average retail prices. Prices for frozen products likely will again increase slightly.

Retail potato prices in January-September averaged a fourth below a year earlier, mainly as a result of the larger crop in fall 1965. Prices this winter are expected to average moderately higher. Sweetpotato prices this winter likely will be up substantially,but price relief for consumers may occur in 1967 for dry bean products.

In 1967, the average retail price of wheat products may rise fractionally but the sharp increase registered in 1966 is not likely be be repeated. The U.S. average retail price of a one-pound loaf of white pan bread during July-September of 1966 was 8 percent (1.7 cents) higher than during the same period a year earlier. The retail price of flour in July-September 1966 was up $2\frac{1}{2}$ percent ($1\frac{1}{2}$ cents per 5 pounds) from a year earlier.

The wholesale price of bakery flour was sharply higher in July-September 1966 than in any recent year and resulted mostly from higher wheat prices. Farm wheat prices averaged $1.72 per bushel during July-September, 39 cents above the same period in 1965. Bakery flour prices in those months at Kansas City and Minneapolis averaged about 90 cents per hundredweight over July-September 1965. Thus, higher wholesale flour prices were in line with the wheat price increase, since it requires approximately 2.28 bushels of wheat to produce 100 pounds of flour.

The recent Federal Trade Commission report showed that retail bread prices rose an average of 1.7 cents per pound between January and August 1966 in the 25 cities studied.2/ Increased returns to farmers for the products going into bread accounted for 0.6 cent of the increase, bakers received 0.7 cent and retailers 0.4 cent. As in the case of milk, retail price changes varied considerably among cities, with the largest increases in cities that originally had the lowest prices. Four cities had average bread price increases of 3.7 cents and 4 other cities averaged no increase in bread prices. Prices for bread sold under chain store private labels increased much less between January and August than did bread sold under wholesale baker brands, 1.0 cent per pound compared with 1.8 cents.

FOOD SUPPLIES AND CONSUMPTION

Per Capita Consumption Up in 1966

Total U.S. food supplies are abundant this year. Per capita civilian food consumption in 1966 is averaging nearly 1 percent above the 1965 level

2/ Bureau of Labor Statistics data show a U.S. average increase of 1.4 cents per pound of white bread between January and August 1966. Most of the increase, 1.0 cent, occurred between July and August. A further increase of 0.2 cent took place between August and September.

and may slightly exceed the high point reached in 1964 (in terms of the retail-price weighted index, table 2). Increases are taking place both for animal products and crop products but the largest increase is for crops (cover chart). Consumers are eating more beef, poultry, vegetable oils, potatoes and dry beans, (fig. 4 and tables 4 and 5). But, they are consuming less pork, dairy products, deciduous fruits, vegetables, melons, and animal fats.

Civilian food consumption is increasing in 1966 at the same time military food takings are up. Military food use is increasing more than a tenth from 1965. Sharp increases in exports and gains in nonfood uses of food products (mostly feed) also are failing to halt gains in domestic food consumption, but these demands are drawing down stocks of farm commodities. Larger imports also are helping to satisfy the increased total demand but decreased U.S. farm output of food commodities in 1966 is putting heavy pressure on prices in meeting the stepped-up demand.

Per Capita Consumption Up in 1967

The outlook for 1967 points to a small overall increase in per capita civilian food consumption. The increase is due to a rather large increase for crop products. Within the animal products group, a significant decline is likely in beef consumption but increases are likely for pork and poultry meat. Little change is likely for dairy products. Among the crops, increased consumption is likely for fruits (especially citrus), vegetables, potatoes, and vegetable oils.

Animal Product Consumption

Per capita consumption of red meat is totaling about 168 pounds in 1966, carcass weight, about a pound more than in 1965 (table 4). It amounts to about 149 pounds in terms of retail meat cuts, including edible offal (table 5). Poultry meat consumption is rising about 3 pounds this year to about 43½ pounds per capita. Continued gains in poultry meat consumption in 1967 may largely offset a decline in red meat.

Beef consumption is totaling about 102 pounds per capita in 1966, up 3 pounds from a year earlier. This increase reflects record domestic production of beef and larger imports (table 20). However,beef production is expected to decline a little in 1967 because of a smaller beginning-of-year live animal inventory and a reduction in slaughter as producers begin to rebuild breeding herds. Beef imports are expected to increase again in 1967 but not sufficently to offset the expected decline in slaughter. The decline is expected to be most noticeable for processed beef products, but later in the year the decline may affect fresh beef as well. Veal consumption is declining about a half pound per capita in 1966 and a further decline is likely next year because of a smaller calf crop.

Pork consumption per capita in 1966 is averaging a little below 1965 despite gains in the final months of this year. Production increases currently are

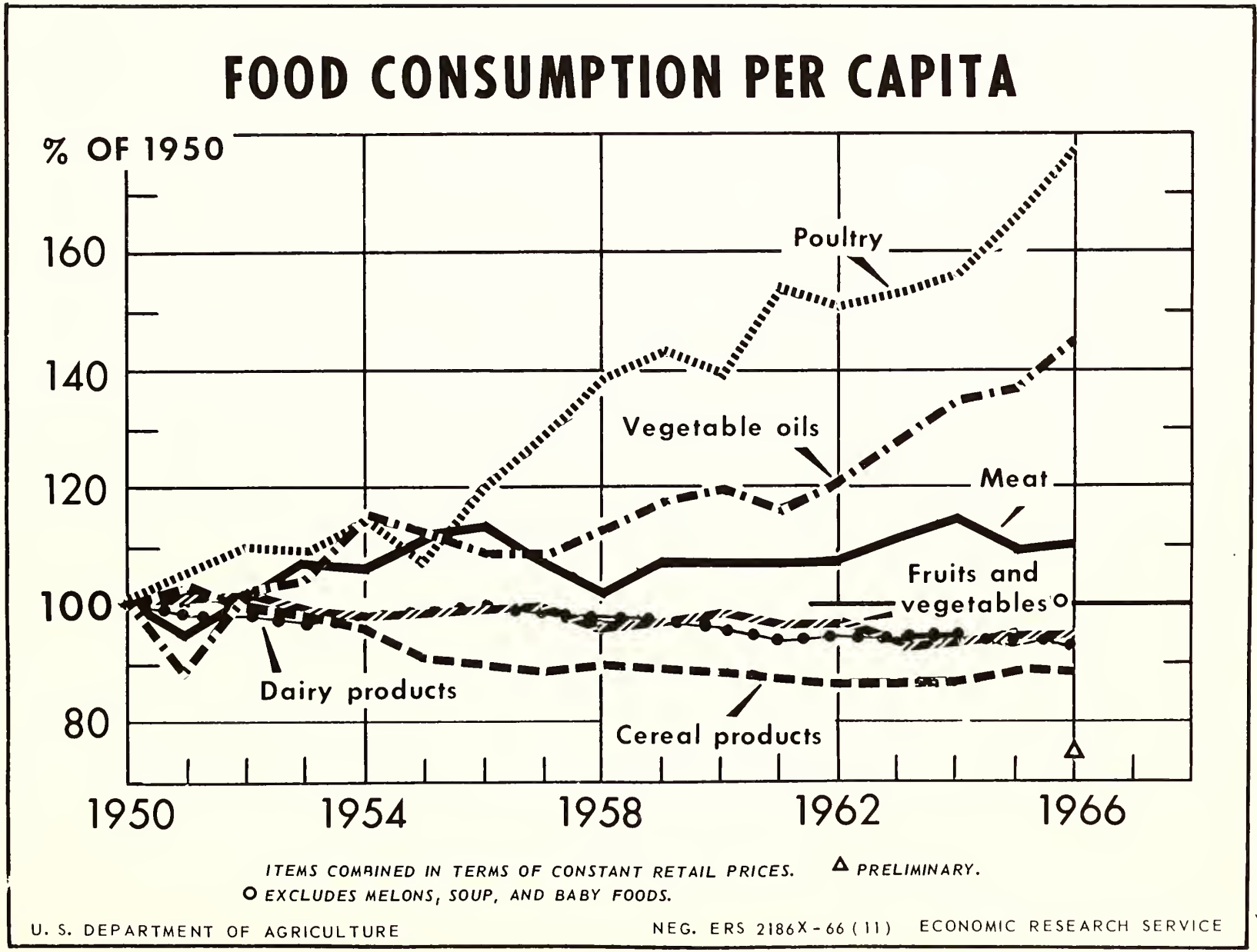
FOOD CONSUMPTION PER CAPITA
% OF 1950
160
140
120
100
80
1950
1954
1958
1962
1966
Poultry
Vegetable oils
Meat
Fruits and vegetables
Dairy products
Cereal products
ITEMS COMBINED IN TERMS OF CONSTANT RETAIL PRICES.
PRELIMINARY.
EXCLUDES MELONS, SOUP, AND BABY FOODS.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 2186X-66 (11) ECONOMIC RESEARCH SERVICE

Fig. 4

Table 4.--Civilian per capita consumption of major food commodities, primary distribution weight, and civilian population, selected periods, 1947-66 1/

Commodity	Average 1947-49	Average 1957-59	1963	1964	1965	1966 Preliminary	1966 as a percentage of 1947-49	1966 as a percentage of 1957-59	1966 as a percentage of 1965
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent	Percent	Percent
Meats (carcass weight) - Total	148.5	156.6	169.5	174.5	166.9	168.2	113	107	101
Beef	65.6	82.1	94.3	99.7	99.3	102.2	156	124	103
Veal	9.7	7.1	4.9	5.2	5.2	4.7	48	66	90
Lamb and mutton	4.8	4.4	4.9	4.2	3.7	4.0	83	91	108
Pork (excluding lard)	68.4	63.0	65.4	65.4	58.7	57.3	84	91	98
Fish (edible weight) - Total	10.7	10.5	10.7	10.5	11.0	10.8	102	104	99
Fresh and frozen	5.9	5.7	5.8	5.9	6.1	6.1	103	107	100
Canned 2/	4.2	4.2	4.4	4.1	4.4	4.2	102	102	98
Cured	.6	.6	.5	.5	.5	.5	83	83	100
Poultry products									
Eggs (farm basis) - Number	385	356	316	313	308	301	78	85	98
Chicken (ready-to-cook)	18.7	27.5	30.8	31.2	33.3	35.7	191	130	107
Turkey (ready-to-cook)	3.3	6.0	6.7	7.2	7.4	7.9	239	132	107
Dairy products									
Total milk fat solids	29.5	25.6	23.3	23.3	23.0	22.4	76	88	97
Total nonfat milk solids	42.9	43.8	41.6	41.6	41.1	41.0	96	94	100
Cheese	7.0	7.9	9.2	9.4	9.5	10.0	143	127	105
Condensed and evaporated milk	20.1	14.8	11.6	11.3	10.6	10.2	51	69	96
Fluid milk and cream	359	335	307	305	302	300	84	90	99
Ice cream (product weight)	18.7	18.4	18.0	18.2	18.5	18.5	99	101	100
Fats and oils - Total, fat content 3/	42.4	45.3	46.3	47.5	47.7	48.6	115	107	102
Butter (actual weight)	10.6	8.2	6.8	6.8	6.4	5.8	55	71	91
Margarine (actual weight)	5.6	8.9	9.6	9.7	9.9	10.7	191	120	108
Lard	12.4	9.3	6.4	6.3	6.4	5.8	47	62	91
Shortening	9.6	11.4	13.5	13.7	13.9	15.0	156	132	108
Other edible fats and oils	7.3	10.8	13.1	14.1	14.2	14.4	197	133	101
Fruits									
Fresh (farm weight) - Total	132.8	95.7	76.1	81.8	83.6	84.5	64	88	99
Citrus	54.8	33.5	22.1	26.1	29.0	29.1	53	87	100
Apples (commercial)	25.5	21.6	18.4	20.1	18.4	18.1	71	84	98
Other (excluding melons)	52.5	40.6	35.6	35.6	36.2	37.3	71	92	103
Processed:									
Canned fruit	18.9	22.5	23.1	23.3	23.6	23.7	125	105	100
Canned juice	15.9	13.5	12.9	11.4	10.9	11.7	74	87	107
Frozen (including juices)	3.2	8.6	8.0	7.4	8.5	8.3	259	97	98
Dried	3.9	3.3	3.0	3.0	2.8	3.1	79	94	111
Vegetables									
Fresh 4/	120.5	104.3	103.2	100.8	100.4	97.7	81	94	97
Canned, excluding potatoes and sweetpotatoes	38.5	43.0	45.0	44.5	45.5	45.0	117	105	99
Frozen, excluding potatoes	2.8	6.6	7.4	8.0	8.5	8.7	311	132	102
Potatoes and sweetpotatoes									
Potatoes, fresh equivalent 5/	113.8	106.8	112.1	110.3	108.0	116.0	102	109	107
Frozen potatoes, product weight	6/	1.6	4.5	5.8	5.7	6.3	---	394	111
Sweetpotatoes, fresh equivalent 5/	13.0	8.3	7.4	6.4	7.7	7.1	55	86	92
Dry edible beans	6.7	7.7	7.7	7.6	6.4	7.0	104	91	109
Melons	27.4	25.1	24.7	23.2	23.9	21.9	80	87	92
Sugar (refined)	95.2	96.1	96.6	96.5	96.5	97.1	102	101	101
Grains									
Corn products: Cornmeal and flour	12.9	7.4	5.9	5.8	5.7	5.6	43	76	98
Corn sirup	9.9	9.4	12.3	13.6	13.6	13.8	139	147	101
Corn sugar	4.2	3.6	4.5	4.4	4.5	4.6	110	128	102
Oat food products	3.3	3.5	3.7	3.7	3.7	3.7	112	106	100
Wheat: Flour 7/	137	120	116	116	116	116	85	97	100
Breakfast cereals	3.2	2.8	2.9	2.9	2.9	2.9	91	104	100
Rye flour	1.4	1.2	1.1	1.1	1.1	1.1	79	92	100
Rice, milled	4.9	5.4	6.6	7.0	7.6	7.2	147	133	95
Other									
Coffee (green beans)	18.2	15.7	15.7	15.3	14.8	14.8	81	94	100
Tea	.58	.60	.67	.69	.69	.70	121	117	101
Cocoa beans	4.0	3.5	3.9	3.9	4.0	4.1	102	117	102
Peanuts (shelled)	4.4	4.6	5.0	5.3	5.6	5.8	132	126	104
Civilian population 8/	Million 145.1	Million 171.5	Million 186.7	Million 189.4	Million 191.9	Million 193.7	133	113	101

1/ Quantity in pounds except for eggs which are stated in number. Data on calendar year basis except for dried fruits, which are on pack year basis, fresh citrus fruits and peanuts on a crop year basis, and rice on August 1 year. All years begin in the year indicated except for fresh citrus, which begins in October of the previous year, and rice, which begins in August of previous year. 2/ Excludes canned food products containing small quantities of fish, such as clam chowder. 3/ Computed from unrounded data. 4/ Covers total commercial production for sale as fresh, both for shipment to distant markets and for local markets. Excludes farm garden output for farm household use. 5/ Includes quantities canned and frozen. 6/ Less than 0.05 pound. 7/ Includes white, whole wheat, and semolina flour. 8/ Census estimates of July 1 civilian population (50 States beginning 1960). Used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

Table 5.--Civilian per capita food consumption, retail-weight equivalent, 1947-66 1/

Year	Meat, poultry, fish				Eggs	Dairy products		Fats and oils				Fruits		
									Including butter 4/					
	Meat 2/	Poultry	Fish 3/	Total		Including butter	Excluding butter	Excluding butter	Animal	Vegetable	Total	Fresh	Processed	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1947	147.4	22.1	12.3	181.3	46.8	424	413	33.9	25.7	19.4	45.1	139.6	40.8	180.4
1948	138.4	21.8	13.1	173.3	47.8	407	397	35.7	24.4	21.3	45.7	127.9	42.8	170.7
1949	137.6	23.3	12.9	173.8	47.4	406	396	35.2	24.1	21.6	45.7	121.1	42.4	163.5
1950	137.8	25.1	13.8	176.7	48.5	407	396	38.4	25.1	24.0	49.1	106.7	43.8	150.5
1951	132.4	26.5	13.2	172.1	49.3	410	400	35.6	24.1	21.1	45.2	114.9	42.9	157.8
1952	139.4	27.2	13.3	179.9	49.2	412	403	38.7	23.0	24.3	47.3	109.4	45.2	154.6
1953	146.4	27.1	13.6	187.1	47.8	407	398	38.7	22.6	24.6	47.2	104.2	45.8	150.0
1954	144.9	28.5	13.5	186.9	47.4	404	395	39.9	21.5	27.3	48.8	100.4	45.6	146.0
1955	152.2	26.7	12.9	191.8	46.9	407	398	40.2	22.7	26.5	49.2	94.6	48.8	143.4
1956	154.9	30.0	12.9	197.8	46.6	409	400	39.8	23.1	25.4	48.5	94.8	49.5	144.3
1957	146.7	31.8	12.8	191.3	45.9	402	394	39.3	21.8	25.8	47.6	92.4	51.2	143.6
1958	139.6	34.4	13.3	187.3	44.9	396	388	40.4	21.7	27.0	48.7	89.9	50.0	139.9
1959	146.6	35.6	13.7	195.9	44.7	391	383	41.7	21.5	28.1	49.6	93.5	48.5	142.0
1960	146.7	34.7	13.2	194.6	42.5	385	378	41.0	20.1	28.4	48.5	90.6	50.4	141.0
1961	145.5	38.0	13.7	197.2	41.4	376	369	41.0	20.8	27.6	48.4	86.4	49.2	135.6
1962	147.1	37.4	13.6	198.1	41.1	376	369	41.6	20.1	28.8	48.9	82.1	49.9	132.0
1963	151.9	37.9	13.7	203.5	40.1	375	368	42.6	19.4	30.0	49.4	73.7	48.5	122.2
1964	155.6	38.8	13.5	207.9	39.8	376	369	43.8	18.4	32.2	50.6	79.4	46.9	126.3
1965 5/	148.2	41.1	14.0	203.3	39.1	375	369	44.4	18.2	32.6	50.8	81.1	48.1	129.2
1966 6/	148.9	44.0	13.9	206.8	38.2	373	367	45.9	16.7	35.0	51.7	81.9	50.5	132.4

Year	Vegetables						Potatoes and sweetpotatoes 7/	Beans, peas, nuts, soya products 7/ 8/	Flour and cereal products 9/	Sugars and other sweeteners 10/	Coffee, tea, cocoa	All foods 11/		
			Processed											
	Melons 7/	Fresh 7/	Canned	Frozen	Total	Total 7/						Animal products	Crop products	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1947	35.1	190.0	39.8	2.5	42.3	232.3	135.5	16.4	173	113.7	18.6	667	932	1,599
1948	34.5	186.8	37.4	2.9	40.3	227.1	113.8	17.4	170	106.4	19.1	642	889	1,531
1949	33.2	174.9	38.3	2.9	41.2	216.1	118.8	16.7	169	108.5	19.5	641	876	1,517
1950	30.4	170.3	41.2	3.2	44.4	214.7	114.2	19.4	167	113.1	17.6	646	860	1,506
1951	31.6	165.1	41.5	4.0	45.5	210.6	117.2	17.3	165	106.3	17.3	646	853	1,499
1952	30.2	161.8	40.8	4.9	45.7	207.5	105.9	17.2	162	108.4	17.3	655	837	1,492
1953	32.5	157.7	42.2	5.1	47.3	205.0	112.1	16.2	158	108.1	17.3	656	834	1,490
1954	32.3	155.4	41.1	5.4	46.5	201.9	111.6	16.3	155	106.0	14.7	651	822	1,473
1955	33.0	154.6	42.2	5.9	48.1	202.7	113.7	16.3	152	106.3	15.0	659	820	1,479
1956	30.1	154.4	42.7	6.0	48.7	203.1	107.2	17.1	150	107.6	15.5	668	811	1,479
1957	27.6	152.8	42.7	6.2	48.9	201.7	112.6	16.4	148	104.3	15.3	653	807	1,460
1958	29.4	149.2	43.2	6.6	49.8	199.0	107.3	16.3	150	107.4	14.7	642	803	1,445
1959	26.9	147.3	43.2	6.8	50.0	197.3	109.7	16.9	148	107.7	15.2	645	804	1,449
1960	28.0	149.9	43.0	7.0	50.0	199.9	109.5	16.2	147	108.7	15.1	635	807	1,442
1961	27.3	147.8	43.0	7.1	50.1	197.9	110.1	16.9	147	109.1	15.4	628	801	1,429
1962	25.0	144.8	44.4	7.7	52.1	196.9	108.9	16.6	146	109.8	15.5	628	793	1,421
1963	26.4	145.4	45.0	7.4	52.4	197.8	111.7	16.9	146	110.4	15.6	631	791	1,422
1964	25.0	143.0	44.5	8.0	52.5	195.5	107.2	16.8	146	111.5	15.4	635	790	1,425
1965 5/	25.7	142.7	45.5	8.5	54.0	196.7	106.2	16.2	147	111.7	15.1	630	794	1,424
1966 6/	23.8	140.1	45.0	8.7	53.7	193.8	112.9	16.8	146	112.4	15.2	629	802	1,431

1/ Quantity data used in computing the per capita food consumption index, table 2. Final consumer products that are derived from a combination of primary food groups, such as bakery products, are measured and reported in the form of their primary ingredients, such as flour, shortening, and eggs. Data for individual items comprising the groups are given in U. S. Food Consumption, SB-364, tables 7-30.

2/ Includes game and edible offal.

3/ Includes 2.0 pounds per capita of game fish through 1951, increasing 0.1 pound annually to 3.0 pounds in 1961 and thereafter.

4/ Includes product weight of butter and margarine; other items in terms of fat content.

5/ Preliminary.

6/ Estimate.

7/ Data for melons, fresh vegetables, potatoes, sweetpotatoes, and dry beans and peas include consumption of home garden produce.

8/ Since 1958 approximations for soya products are continued at 1.3 pounds.

9/ Corn sugar and sirups are with sugars and other sweeteners.

10/ Excludes sugar used in production of canned and frozen fruit, canned fruit juices, canned vegetables, and unskimmed sweetened condensed milk.

11/ Includes spices and herbs, soup, and baby food.

underway and 1967 consumption is expected to exceed that of this year. The increase expected for pork likely will be smaller than the decline for beef.

Consumption of lamb and mutton is increasing this year following several years of decline. The increase is attributed to larger imports; domestic production is down slightly. Little change in supplies is expected next year.

New records are being established this year in consumption of both chicken and turkey. Chicken production this year is up about one-tenth from last year in response to higher prices. Chicken production is still rising and this trend is expected to carry into 1967.

Per capita consumption of eggs is declining another 2 percent in 1966. However, production in 1967 may show the sharpest rise since 1950. The production expansion already is underway; September production was 1 percent above a year earlier. Most of the output increase is expected to occur by mid-1967. The consumption increase may be sufficient to reverse the uninterrupted decline in per capita egg consumption which began 15 years ago.

Milk production this year is dropping about 3 percent below 1965, but production in 1967 may moderately exceed the 1966 total. A decrease in consumption this year is due mainly to lower USDA donations. Sales from commercial sources are averaging about 1 percent per capita more than a year earlier. Stocks of dairy products currently are below year-earlier levels but production is approaching year-earlier levels. Per capita consumption of butter this year is averaging nearly 10 percent below a year earlier; both CCC butter donations and commercial use are declining. In contrast, cheese consumption is strong, up about 5 percent this year. Increased commercial sales have more than offset a decline in CCC donations. Per capita consumption of evaporated milk is declining but consumption of ice cream and nonfat dry milk is staying about the same as a year earlier.

Crop Product Consumption to Rise

A substantial decrease in per capita consumption of animal fats, principally butter and lard, is being more than offset by an increase in consumption of vegetable oils in 1966. Consumption of margarine is up nearly 1 pound per capita. Per capita consumption of total food fats and oils (fat content) in 1966 is about a pound larger than a year earlier. Much of the increase is due to increased use of soybean oil.

Sharply increased supplies of fresh and processed citrus fruits are expected in 1967. A record-large crop of Florida oranges is expected this winter. As a result, production of frozen orange concentrate is expected to be much larger next year. Grapefruit production and use also is expected to be up considerably from a year earlier. Supplies of noncitrus fruits from now to mid-1967 are expected to be larger than a year earlier, too. Substantially larger crops of Clingstone peaches and Bartlett pears currently are being

harvested. But, the pack of processed apples probably will not equal that of a year earlier. Cold storage holdings of fresh apples in the Western States are expected to be up considerably, however, because of larger crops in that area. As of October 1, stocks of frozen deciduous fruits and berries (mostly red tart cherries and strawberries) were moderately larger than a year earlier. Consumption of melons in 1966 is down about 2 pounds per capita, primarily because of reduced yields due to adverse summer weather.

Adverse growing conditions resulted in cutting consumption of fresh vegetables nearly 3 pounds per capita in 1966. Reduced supplies of several fresh vegetables are indicated for late fall; these include cabbage, lettuce, onions, celery, and tomatoes. Per capita consumption of canned vegetables is down slightly this year, primarily because of a reduced pack in 1965. The pack this year was up moderately, but because of a smaller carryover, supplies into mid-1967 are likely to be about the same as a year earlier. Supplies of most frozen items are larger.

Potato supplies this winter are about as large as a year earlier. Per capita consumption in 1966 was up considerably from a year earlier, primarily because of increased carryover supplies from the relatively large 1965 fall crop. Frozen potato use continues to climb. Over 6 pounds per capita were consumed in 1966, up 11 percent from 1965. A continued increase is likely in 1967.

Sweetpotato and dry pea supplies this fall and winter likely will be substantially below a year earlier because of reduced production. However, dry edible bean production was much larger than the short crop of a year ago, and supplies are up sharply.

Per capita consumption of corn for food products next year is expected to average about the same as the 56 pounds (grain equivalent) consumed in 1966. Use for sweeteners continues to account for most of the food use of corn. Per capita consumption of all corn products is now about 25 percent above the level of 10 years earlier. Increases for corn sirup, hominy grits, corn sugar (dextrose), and prepared cereals more than offset a decrease for cornmeal. Per capita food use of wheat flour in 1967 likely will average about the same as in 1966.

Supply-Utilization of Farm Commodities

Net production of farm commodities is declining this year (table 6). The decline is much greater for nonfood commodities than for food commodities (tables 7 and 8).1/ Among the foods, declines are concentrated among crops;

1/ The supply-utilization tables for food and nonfood commodities are shown here for the first time. Food commodities are defined to include essentially all items with any food use, including such commodities as feed grains. See footnote 1 to tables 7 and 8 for enumeration of commodities included.

Table 6.--Supply-utilization of total farm commodities: Indexes by component and relationship of components to total annual net utilization, 1950-66 1/

Year	Supply			Utilization					
	Net production 2/	Net imports 3/	Stocks 4/	Total annual net utilization	Domestic use				Exports and shipments 7/
					Food		Net nonfood 6/	Total	
					Civilian	Military 5/			
	A.--Index, 1957-59=100 8/								
1950	84.4	93.0	77.8	87.3	86.4	108.1	113.2	90.1	66.0
1951	84.9	89.8	77.1	89.8	85.9	214.4	109.5	90.9	81.3
1952	90.3	89.2	72.5	89.0	88.9	160.2	102.0	91.6	69.3
1953	92.6	92.8	77.8	90.0	91.3	149.2	104.2	93.8	61.3
1954	94.0	82.7	85.0	90.7	92.7	125.2	96.1	93.6	69.0
1955	97.6	89.5	91.2	94.7	96.3	111.0	102.7	97.3	75.2
1956	99.9	93.1	97.2	100.1	99.3	112.4	105.3	100.3	98.5
1957	97.9	92.7	98.6	100.1	98.9	101.6	97.9	98.8	110.0
1958	101.1	95.7	97.1	97.9	98.8	99.9	96.7	98.5	92.8
1959	101.0	111.6	104.3	102.0	102.3	98.5	105.4	102.7	97.2
1960	105.9	106.3	107.6	105.7	103.5	94.2	102.8	103.3	123.9
1961	104.6	112.6	111.3	107.5	105.6	104.0	103.0	105.3	124.6
1962	107.0	115.3	110.9	108.9	107.2	108.3	106.9	107.2	121.9
1963	111.6	115.8	112.6	112.5	110.1	107.2	104.7	109.4	135.8
1964	112.5	104.9	115.3	117.3	112.7	115.5	108.4	112.2	155.8
1965 9/	117.0	106.7	109.6	116.5	112.7	130.3	113.6	113.1	142.1
1966 9/	113.1	115.0	112.0	119.2	114.5	146.7	111.1	114.6	153.6
	B.--Percentage of total annual net utilization 11/								
1950	87.3	12.4	0.3	100.0	75.2	1.7	14.2	91.1	8.9
1951	85.4	11.6	3.0	100.0	72.7	3.4	13.3	89.4	10.6
1952	91.6	11.6	-3.2	100.0	75.8	2.5	12.5	90.8	9.2
1953	92.9	12.0	-4.9	100.0	77.0	2.3	12.7	92.0	8.0
1954	93.5	10.6	-4.1	100.0	77.5	2.0	11.6	91.1	8.9
1955	93.0	11.0	-4.0	100.0	77.1	1.7	11.9	90.7	9.3
1956	90.1	10.8	-.9	100.0	75.3	1.6	11.5	88.4	11.6
1957	88.4	10.7	.9	100.0	75.0	1.4	10.7	87.1	12.9
1958	93.2	11.4	-4.6	100.0	76.6	1.5	10.8	88.9	11.1
1959	89.4	12.7	-2.1	100.0	76.1	1.4	11.3	88.8	11.2
1960	90.5	11.6	-2.1	100.0	74.4	1.2	10.6	86.2	13.8
1961	87.8	12.1	.1	100.0	74.5	1.4	10.5	86.4	13.6
1962	88.7	12.3	-1.0	100.0	74.7	1.4	10.7	86.8	13.2
1963	89.6	11.9	-1.5	100.0	74.3	1.3	10.2	85.8	14.2
1964	86.6	10.4	3.0	100.0	72.9	1.4	10.1	84.4	15.6
1965 9/	90.7	10.6	-1.3	100.0	73.4	1.6	10.7	85.7	14.3
1966 9/	85.7	11.2	3.1	100.0	73.0	1.7	10.2	84.9	15.1

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis since 1962.

2/ Meat production includes carcass weight of commercial and farm slaughter; does not include change in live animal inventory.

3/ Includes inshipments from U.S. Territories.

4/ Farm, commercial, and Government program holdings; excludes live animal inventory. Section A: Derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes; negatives indicate stock increases; positives signify withdrawals.

5/ Includes civilian feeding in occupied areas.

6/ Excludes feed and seed.

7/ Includes shipments to U.S. Territories.

8/ Data beginning 1924 were published in National Food Situation, NFS-112, May 1965.

9/ Preliminary.

10/ Preliminary estimate.

11/ Data beginning 1924 were published in National Food Situation, NFS-111, February 1965.

Table 7.--Supply-utilization of farm food commodities: Indexes by component and relationship of components to total annual net utilization, 1955-66 1/

Year	Supply			Total annual net utilization	Utilization				
					Domestic use				
					Food				
	Net production 2/	Net imports 3/	Stocks 4/		Civilian	Military 5/	Net nonfood 6/	Total	Exports and shipments 7/
	A.---Index, 1957-59=100								
1955	94.9	88.5	87.0	95.1	96.3	110.8	103.4	96.8	77.9
1956	98.6	92.7	91.4	99.9	99.3	112.4	105.2	99.8	100.8
1957	98.2	93.1	93.7	99.3	98.9	101.8	99.7	98.9	103.1
1958	101.3	96.6	96.7	98.2	98.8	99.8	98.1	98.8	92.1
1959	100.5	110.3	109.6	102.5	102.3	98.4	102.2	102.3	104.8
1960	104.9	104.8	114.6	104.7	103.5	94.2	97.2	103.1	120.3
1961	103.7	111.9	122.3	107.4	105.6	103.8	97.5	105.3	129.1
1962	104.7	112.4	123.2	109.8	107.1	108.5	100.0	106.9	140.0
1963	109.8	113.4	120.7	113.9	110.1	107.2	103.6	109.8	156.7
1964	111.7	102.6	119.8	118.5	112.7	115.5	105.2	112.5	181.1
1965 8/	116.5	101.0	109.5	117.8	112.6	130.3	103.7	112.6	170.6
1966 8/	115.7	108.6	110.5	120.7	114.5	146.7	104.8	114.7	182.6
	B.---Percentage of total annual net utilization								
1955	91.4	10.6	-2.0	100.0	87.4	1.9	3.5	92.8	7.2
1956	90.4	10.6	-1.0	100.0	85.9	1.8	3.4	91.1	8.9
1957	90.6	10.7	-1.3	100.0	85.9	1.7	3.2	90.8	9.2
1958	94.4	11.3	-5.7	100.0	86.9	1.6	3.2	91.7	8.3
1959	89.8	12.3	-2.1	100.0	86.2	1.6	3.2	91.0	9.0
1960	91.8	11.4	-3.2	100.0	85.4	1.4	3.0	89.8	10.2
1961	88.4	11.9	-.3	100.0	84.9	1.6	2.9	89.4	10.6
1962	87.3	11.7	1.0	100.0	84.2	1.6	2.9	88.7	11.3
1963	88.3	11.4	.3	100.0	83.4	1.5	2.9	87.8	12.2
1964	86.3	9.9	3.8	100.0	82.0	1.6	2.9	86.5	13.5
1965 8/	90.6	9.8	-.4	100.0	82.6	1.8	2.8	87.2	12.8
1966 8/	87.8	10.3	1.9	100.0	81.8	2.0	2.8	86.6	13.4

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis since 1962. Includes essentially all commodities having any food use in the United States. Livestock: Red meats, poultry, eggs, milk fat and nonfat solids, and honey. Crops: Food and feed grains, sugar crops, citrus and noncitrus fruit, bananas, tree nuts, potatoes, sweet potatoes, vegetables, dry beans and peas, cowpeas, popcorn, mustard seed, cocoa, coffee, tea, olives, copra, and major oilseeds.

2/ Meat production includes carcass weight of commercial and farm slaughter; does not include change in live animal inventory.

3/ Includes shipments from U. S. Territories.

4/ Farm, commercial, and Government program holdings; excludes live animal inventory. Section A: Derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes: Negatives indicate stock increases; positives signify withdrawals.

5/ Includes civilian feeding in occupied areas.

6/ Excludes feed and seed.

7/ Includes shipments to U. S. Territories. 8/ Preliminary.

Table 8.--Supply-utilization of farm nonfood commodities: Indexes by component and relationship of components to total annual net utilization, 1955-66 1/

Year	Supply			Total annual net utilization 4/	Utilization	
	Net production	Net imports 2/	Stocks 3/		Domestic use	Exports and shipments 4/
	A.--Index, 1957-59=100					
1955	119.6	96.1	97.6	91.7	102.4	69.9
1956	111.0	95.7	106.2	101.6	105.2	94.2
1957	95.6	90.3	106.3	105.8	97.2	123.5
1958	99.4	89.9	97.8	95.6	96.2	94.2
1959	105.0	119.8	95.9	98.6	106.6	82.3
1960	114.6	116.7	96.7	113.3	104.8	130.9
1961	111.9	117.5	93.7	108.7	105.3	115.7
1962	125.7	134.2	92.1	102.2	109.7	86.6
1963	125.9	131.8	100.4	101.9	105.3	94.8
1964	119.5	119.8	108.7	108.5	109.7	106.1
1965 5/	121.6	144.1	110.3	107.1	117.3	86.1
1966 5/	91.9	156.7	115.1	108.0	113.5	96.6
	B.--Percentage of total annual net utilization					
1955	105.4	13.3	-18.7	100.0	75.1	24.9
1956	88.3	12.0	-.3	100.0	69.7	30.3
1957	73.0	10.9	16.1	100.0	61.8	38.2
1958	84.1	12.0	3.9	100.0	67.7	32.3
1959	86.1	15.5	-1.6	100.0	72.7	27.3
1960	81.7	13.1	5.2	100.0	62.2	37.8
1961	83.2	13.8	3.0	100.0	65.2	34.8
1962	99.5	16.7	-16.2	100.0	72.2	27.8
1963	99.9	16.4	-16.3	100.0	69.6	30.4
1964	89.0	14.0	-3.0	100.0	68.0	32.0
1965 5/	91.8	17.1	-8.9	100.0	73.7	26.3
1966 5/	68.8	18.5	12.7	100.0	70.7	29.3

1/Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis since 1962. Includes all commodities not having food use in the United States with the exception of palm kernels and palm oil which have a small amount of food use. Livestock: Shorn wool and mohair. Crops: Broom corn, cotton, tobacco, grass and legume seeds, hops, vegetable seeds, and inedible oil seeds; excludes livestock feed.

2/Includes inshipments from U. S. Territories.

3/Farm, commercial and Government program holdings.

Section A: Derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes; negatives indicate stock increases; positives signify withdrawals.

4/ Includes shipments to U. S. Territories.

5/ Preliminary.

marketings of total animal products are up slightly (table 1). Small production declines are taking place for most of the food and feed grains, vegetables, deciduous fruits, and milk.

Larger imports of food commodities are helping to offset production declines but heavy demands are drawing down stocks during calendar year 1966. Stocks as of December 31 for food commodities, mainly grains, are expected to be at the lowest level for that date in recent years.

Exports and shipments to U.S. Territories are reaching a new high in calendar 1966 due to sharply expanding exports of wheat, feed grains, and soybeans and products (table 9). Total food use by the military is up over a tenth, total civilian food use is up nearly 2 percent, and nonfood uses of food products are above 1965 levels. Increases are taking place both for feed use, due to strong livestock prices, and for industrial uses of food commodities.

Imports are accounting for about 18 percent of the total annual use of nonfood commodities compared with about 10 percent of the total for food commodities in 1966. Exports are also more important for nonfoods, accounting for about 29 percent of total annual use in 1966 compared with 13 percent for food commodities.

Industrial production of processed foods in January-July averaged over 3 percent above a year earlier (fig. 5). This rate exceeds the less than a 2-percent increase for the same period of 1965 compared with a year earlier.

The outlook for 1967 points to a net increase in supplies of farm commodities, principally of crop products. Sizable production increases appear to be underway for pork, poultry, eggs, and citrus fruits. In addition, some 25 to 30 million acres previously diverted under Government programs may be brought back into production of wheat and feed grains in 1967. Part of these increases likely will be offset by declines in cow and calf slaughter if producers expand breeding herds as expected.

Generally strong demands for food products from most major sectors are expected to persist through 1967, but the increases are not likely to match the big gains in 1966. Exports likely will increase again and military food takings probably will continue to expand along with the slight increase in civilian food use.

Military Food Procurement Up

Military food takings are accounting for about 2.3 percent of total U.S. food use in 1966. Military takings are increasing about 13 percent for the year compared with 1965 when 2.1 percent of total food was used by the military. The military population on July 1, 1966, was 3.2 million, compared to 2.7 million a year earlier. The military accounted for 1.6 percent of the total population on July 1 compared with 1.4 percent a year earlier. These figures imply that military food procurement per capita is roughly half again as large as per capita civilian food use. The increase in total food use in 1966 is approximately in line with the growth in size of the Armed Forces.

Table 9.--Value of exports and imports for consumption, January-August, 1965 and 1966

Item	Exports			Imports			Net exports	
	1965	1966	Change	1965	1966	Change	1965	1966
	Mil. dol.	Mil. dol.	Pct.	Mil. dol.	Mil. dol.	Pct.	Mil. dol.	Mil. dol.
Food:								
Animal products:								
Dairy products	138	98	-29	43	56	30	95	42
Meat and meat products	70	73	4	276	404	46	-206	-331
Poultry meat	30	31	3	---	---	---	30	31
Lard and other fats 1/	31	26	-16	1	1	0	30	25
Other	5	6	20	3	8	167	2	-2
Total	274	234	-15	323	469	45	-49	-235
Crop products:								
Wheat and flour	763	1,026	34	2	2	0	761	1,024
Rice	163	147	-10	2	1	-50	161	146
Other cereal grain products	45	59	31	11	14	27	34	45
Soybeans	364	438	20	---	---	---	364	438
Vegetable oils	210	135	-36	50	60	20	160	75
Vegetable and preparations	101	115	14	86	128	49	15	-13
Bananas	---	---	---	103	119	16	-103	-119
Other fruits and preparations	187	199	6	87	89	2	100	110
Treenuts and preparations	21	22	5	43	49	14	-22	-27
Coffee	20	15	-25	612	725	18	-592	-710
Cocoa 2/	---	---	---	97	105	8	-97	-105
Tea	---	---	---	35	39	11	-35	-39
Sugar and related products	16	20	25	253	309	22	-237	-289
Wines and malt liquors	---	---	---	50	61	22	-50	-61
Other	21	18	-14	52	54	4	-31	-36
Total	1,911	2,194	15	1,483	1,755	18	428	439
All food	2,185	2,428	11	1,806	2,224	23	379	204
Nonfood:								
Animal products:								
Live animals	23	22	-4	49	65	33	-26	-43
Hides and skins	62	105	69	50	62	24	12	43
Wool	6	6	0	154	171	11	-148	-165
Inedible tallow	128	103	-20	---	---	---	128	103
Other	23	23	0	26	31	19	-3	-8
Total	242	259	7	279	329	18	-37	-70
Crop products:								
Corn	516	616	19	1	1	0	515	615
Other feed grains	175	300	71	9	7	-22	166	293
Oil-cake and meal	108	141	31	2	2	0	106	139
Other feed and fodders	49	62	27	29	29	0	20	33
Cotton and linters	323	230	-29	17	18	6	306	212
Tobacco	190	232	22	89	85	-4	101	147
Inedible oils and oil seeds	---	---	---	65	70	8	-65	-70
Rubber and allied gums	---	---	---	115	122	6	-115	-122
Other	70	97	39	83	93	12	-13	4
Total	1,431	1,678	17	410	427	4	1,021	1,251
All nonfood	1,673	1,937	16	689	756	10	984	1,181
All agricultural:	3,858	4,364	13	2,495	2,978	19	1,363	1,386
Complementary imports 3/	---	---	---	1,103	1,262	14	-1,103	-1,262
Supplementary imports	---	---	---	1,393	1,717	23	-1,393	-1,717
Nonagricultural	13,555	15,153	12	10,914	13,380	23	2,641	1,773
Total, all commodities	17,412	19,517	12	13,408	16,357	22	4,004	3,160

1/ Milk fat (butter) included in dairy products.
2/ Includes cocoa butter.
3/ Essentially noncompetitive with U.S. products.

Compiled from Foreign Agricultural Trade of the United States.

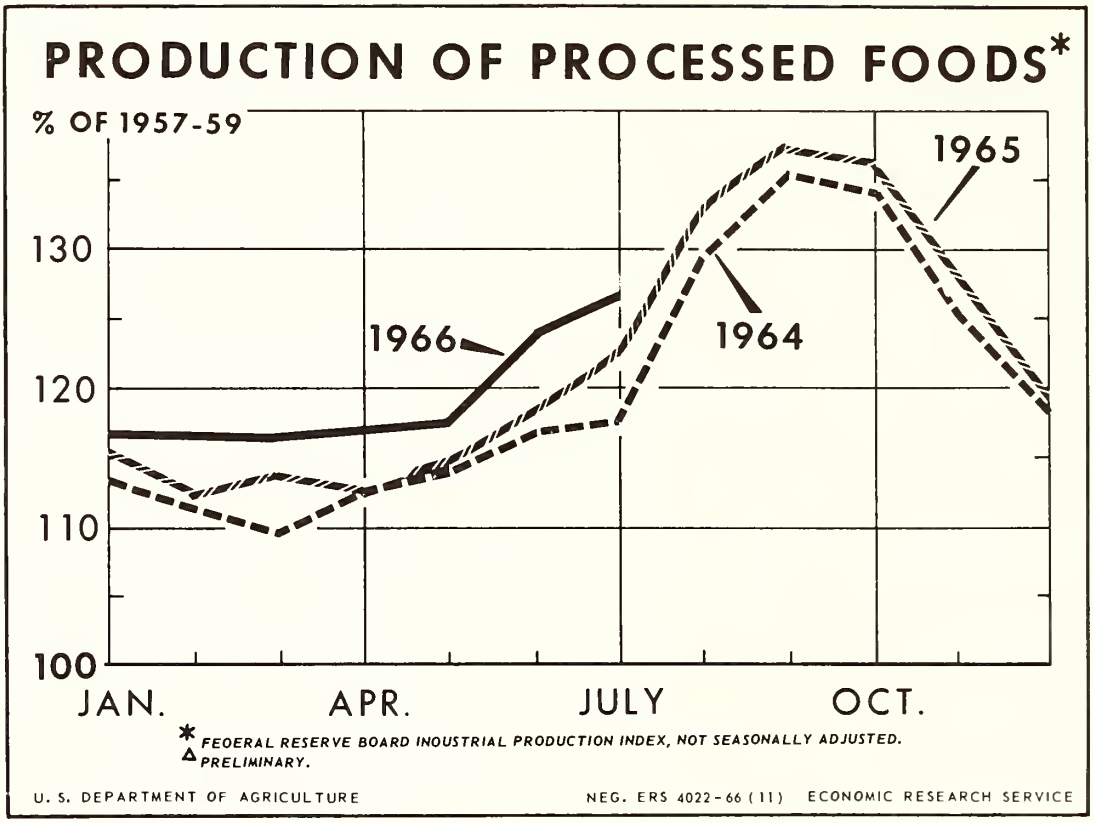

Figure 5

Central military food procurement in the first 3 quarters of 1966 exceeded a year earlier by 15 percent but the quarterly rate of procurement this year was below that of fourth-quarter 1965 (table 10). Food procurement apparently was speeded up in anticipation of the increase in military forces by first quarter 1966. Central procurement of food by the military (excluding local purchases) for troop use totaled $1 billion in 1965.1/ This was a third greater than the total for 1964 even though the military population remained at 2.7 million in both years.

Livestock products are important in military food takings. Around one-third of the total value consists of beef and veal. Military takings amounted to a little over 3 percent of total U.S. consumption of beef and veal in 1966. Increases in military food takings this year appear to be particularly important for fruits, eggs, poultry, and beef.

1/ Includes purchases for resale in commissaries and post exchanges overseas but does not include food for resale in this country. Commissary sales (including nonfoods) in fiscal year 1966 totaled $1.3 billion compared with $1.1 billion in fiscal 1965; about a fourth of these sales were made overseas.

Table 10.--Military food procurement, selected periods, 1964-66 1/ 2/

Item	1964	1965					1966		
		I	II	III	IV	Year	I	II	III
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Meat: 3/									
Beef and veal	528	130	151	160	157	598	160	190	166
Pork	196	54	55	62	70	241	61	62	65
Other	3	1	1	1	1	4	1	1	1
Fish 4/	23	6	6	6	6	24	7	8	9
Chicken and turkey 5/	123	28	32	36	38	134	34	39	38
Eggs 6/	120	32	38	29	48	147	38	43	39
Dairy products 7/	117	30	34	37	35	136	32	29	40
Fats and oils 8/	87	26	28	27	38	119	20	56	36
Fruits:									
Fresh	186	43	45	38	47	173	46	44	38
Processed	231	38	55	141	125	359	59	104	124
Vegetables:									
Fresh 9/	694	165	190	150	250	755	215	247	167
Processed	306	65	68	114	215	462	58	64	85
Cereal products:									
Wheat flour 10/	164	47	51	31	67	196	56	72	46
Other cereal products	28	6	10	10	13	39	6	10	18
Sugar and sirups 11/	140	47	30	56	38	171	56	48	32
Beverages 12/	53	14	15	16	21	66	16	13	15
Value of central procurement 13/ (million of dollars)	$781	$191	$243	$262	$334	$1,030	$246	$287	$278
Percentage of total quantity of food use in the U.S. 14/	1.9	---	---	---	---	2.1	---	---	15/2.3

1/ Centrally procured items only; excludes quantities purchased for post exchanges and commissaries.
2/ Data in terms of product weight unless otherwise indicated.
3/ Carcass weight basis.
4/ Major fish and shellfish items only.
5/ Ready-to-cook basis.
6/ Shell equivalent.
7/ Centrally procured manufactured dairy products plus USDA donations of butter and cheese. Excludes fluid milk and cream, cottage cheese, and frozen desserts which are normally purchased locally in places other than the immediate areas of the subsistence supply centers.
8/ Includes salad dressing, mayonnaise, and peanut butter; excludes butter.
9/ Includes potatoes and sweetpotatoes. Dehydrated onions and potatoes are converted to fresh weight equivalent.
10/ Includes wheat flour equivalent of centrally procured bakery and cereal products.
11/ Excludes sweeteners in manufactured products.
12/ Coffee, green bean basis; tea, leaf basis; and beverage cocoa.
13/ Includes minor amounts of non-food products and food items other than those listed above.
14/ Estimate of total military consumption; derived from data in table 6.
15/ Preliminary indication for calendar year 1966 as of November 1966.

Based primarily on data from the U.S. Department of Defense, Defense Personnel Support Center, Philadelphia, Pa.

Consumption of Donated Foods

Total poundage of food commodities donated to schools, institutions, and needy persons in January-June 1966 was one fourth less than in the same period last year. Substantial decreases occurred for such items as meat, lard, and dairy products; donations of flour and other cereal products were maintained near last year's levels. The decline for the year will probably exceed the 15 percent decline between 1964 and 1965 (table 11). These commodity donations do not include foods purchased by families participating in the Food Stamp Program, local purchases for school lunches, or the Special Milk Program. The decline in commodity donations primarily reflects the shift, by county, to the Food Stamp Program.

Commodity donations amounted to 0.9 percent of total civilian food use in 1965, when measured in terms of 1957-59 prices, a decline from 1.1 percent of the total in 1964 but nearly double the 0.5 percent in 1960. Although these are significant amounts of the total food supply, it is not possible to know how much represents additional consumption and how much represents substitution of commercial food supplies.

Programs other than for direct distribution of commodities have expanded. Participation in the Food Stamp Program in mid-1966 reached 1.2 million people, double the number a year earlier. Value of food coupons used was $174 million in fiscal year 1966, of which $65 million was free to participants. An additional 402 areas are slated to be served in fiscal year 1967, which will increase participation by approximately 600,000 people by July 1 next year. This indicates about a 50 percent expansion of the program.

Federal disbursements under the National School Lunch Program amounted to over $141 million in fiscal year 1966, including $2 million to provide assistance under the Demonstration Program (needy schools). It is 8 percent more than the $130 million of last year. Special Milk Program payments of almost $97 million were about the same as in fiscal year 1965.

The Child Nutrition Act of 1966, recently enacted by the Congress, authorizes a 2-year pilot breakfast program; provides for an assistance program under which food service equipment may be made available to schools in low-income areas; extends the Special Milk Program for 3 additional years; authorizes the appropriation of administrative funds for State educational agencies to strengthen their efforts to improve child nutrition in schools; authorizes the Secretary of Agriculture to extend school food service to preschool programs operated through the school system; and centralizes authority for the conduct and supervision of all federally assisted school food service programs in the U.S. Department of Agriculture.

Table 11.--USDA domestic donations of commodities, to schools, institutions, and needy persons, calendar years, 1960-66 1/

Item	1960	1961	1962	1963	1964	1965	Jan.-June 1966
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Meat							
Beef	56.8	62.9	41.0	26.8	196.9	201.0	39.5
Pork	29.8	68.8	31.1	28.1	20.4	.1	---
Lamb	.2	12.1	.1	---	---	---	---
Mixtures	---	63.3	143.0	122.8	63.0	35.5	19.6
Total	86.8	207.1	215.2	177.7	280.3	236.6	59.1
Poultry							
Turkey	20.2	50.1	42.7	47.6	56.4	39.6	7.8
Poultry, other	3.6	33.3	41.9	55.9	53.9	33.9	19.7
Total	23.8	83.4	84.6	103.5	110.3	73.5	27.5
Eggs 2/	22.3	24.0	10.3	8.8	16.7	2.8	---
Dairy products							
Butter	82.9	147.6	160.7	169.0	179.9	132.9	45.1
Cheese	27.4	23.3	143.6	129.6	133.4	82.0	2.0
Nonfat dry milk	107.5	170.6	179.0	165.1	153.0	147.9	64.2
Total	217.8	341.5	483.3	463.7	466.3	362.8	111.3
Fats and Oils							
Lard and shortening	48.7	108.5	97.3	96.1	91.5	89.2	46.3
Margarine	---	---	---	---	---	31.6	21.2
Fruits							
Fresh	---	8.6	16.2	26.9	26.1	9.1	---
Canned	76.7	101.7	87.6	66.0	103.1	94.0	30.9
Dried	1.5	.1	10.5	---	1.4	1.0	19.6
Frozen	---	---	---	---	---	4.0	4.7
Total	78.2	110.4	114.3	92.9	130.6	108.1	55.2
Vegetables							
Fresh	---	2.2	---	---	---	---	---
Canned	40.4	54.5	74.9	86.1	89.2	50.9	10.7
Dried beans and peas	15.4	109.6	141.0	114.4	106.0	81.2	3/23.1
Total	55.8	166.3	215.9	200.5	195.2	132.1	33.8
Potatoes and sweetpotatoes	3.5	8.2	38.1	25.6	---	9.4	5.8
Cereal products							
Bulgar	---	---	---	2.2	4.4	4.9	2.1
Corn (whole kernel)	---	---	---	---	---	---	---
Cornmeal and grits	124.1	183.9	179.5	155.3	158.3	151.0	73.0
Oats (rolled)	---	43.5	1.5	---	---	---	---
Rice	95.7	123.6	122.9	125.1	104.2	95.8	45.4
Wheat (whole kernel)	---	---	---	---	---	---	---
Wheat flour	339.7	489.7	505.7	466.6	482.6	482.9	225.7
Wheat (rolled)	---	---	80.2	65.4	57.6	51.5	22.4
Total	559.5	840.7	889.8	814.6	807.1	786.1	368.6
Other 4/	7.9	39.4	41.0	37.5	44.6	42.3	20.9
Total all commodities	1,104.3	1,929.5	2,189.8	2,020.9	2,142.6	1,874.5	749.7

1/ Includes commodities distributed under the National School Lunch Program; excludes distribution to U.S. Territories. Data are in terms of product weight so for some items are not comparable over time. 2/ Shell eggs and dried. 3/ Includes dried onions. 4/ Includes olive oil, peanut butter, and minor amounts of other items.

FOOD EXPENDITURE OUTLOOK

Food expenditures in 1966 are expected to total around $92 billion, up from $85.4 billion in 1965. Expenditures in third quarter 1966 totaled $92 billion, seasonally adjusted annual rate, nearly 8 percent above a year earlier. Third-quarter expenditures accounted for 18.1 percent of total disposable personal income of $511 billion (annual rate). Food expenditures in 1967 again are expected to increase substantially, but the increase is not expected to match the 7 to 8 percent increase of 1966, the largest annual increase since 1951. Expenditures this year are averaging around $465 per capita, compared with $439 in 1965.

Most of the increase in food expenditures this year is due to the 4½ to 5 percent increase in retail food prices. Population and per capita food consumption each are increasing around 1 percent.

Food Sales Leveling in 1966

Total sales by retail food stores since February have stabilized at slightly below $6 billion per month, seasonally adjusted. Sales in July totaled 7 percent above a year earlier, compared with 11 percent above a year earlier in February. The lack of gain in food store sales since February despite the increase in retail food prices implies a decline in quantity of food purchased in food stores since early this year. However, total sales by eating and drinking places have continued upward. They exceeded $2 billion, seasonally adjusted, for the first time in July when they were 12 percent above a year earlier.

Percentage of Income Going for Food

Disposable personal income in 1966 is totaling around 8 percent over 1965's $469.1 billion. The increase is nearly 7 percent on a per capita basis. More jobs and higher rates of pay contributed importantly to the income gain. A significant part of the rise in employment was due to enlargement of military forces. But, employment gains outpaced growth in the labor force, thereby reducing unemployment. The cut in unemployment no doubt contributed to the strong demand for food in 1966. Further income gains are expected in 1967, but the increase is not likely to match the sharp advances registered in 1966.

Typically, food expdnditures increase only about two-thirds as much as disposable personal income, but with sharply higher food prices this year, food expenditures are increasing at about the same rate as income. Consequently, the percentage of income spent for food is expected to be near last year's 18.2 percent. This percentage has declined in 11 out of the past 15 years and each year since 1958 when 21 percent of income was spent for food. It probably will decline slightly in 1967.

In 1966, 16.4 percent of disposable personal income is being spent for foods originating on U.S. farms, for a total of $83 billion. The farm value of this food totals $28 billion, 5.5 percent of disposable income. The other $55 billion, 10.9 percent of disposable income, represents the total bill for

marketing (including processing, distribution, and food served in away from home eating places) these foods.

Over the years, the percentage of income going to pay the marketing bill has declined slightly (down 1.7 percentage points since 1950). However, the percentage of income going to farmers has declined more rapidly (down 3.2 percentage points since 1950). This year is an expection to the trend; the percentage of income going to farmers is slightly greater in 1966 than in 1965 and the percentage of income going for the marketing bill is less than in 1965.

Incomes have increased considerably since 1950. The average (median) family income in 1965 was $6,900, 5 percent above 1964 and more than double the average of $3,319 in 1950. After allowing for the increase in consumer prices, the income gain in 1965 amounted to 3 percent over 1964 and 58 percent over 1950. In 1965, 16.5 percent of all families had incomes below $3,000, compared with 42.5 percent in 1950. Only 3.3 percent of all families had incomes over $10,000 in 1950 compared with 24.9 percent in 1965. The Consumer Price Index rose 31 percent during this period.

FOOD EXPENDITURES IN 1965 1/

Food Expenditure Breakdown

Out of total food expenditures of $85 billion in 1965, an estimated $57 billion (67 percent) was accounted for by sales of food stores (table 12). The next largest component was food sold by eating and drinking places, $15 billion. Another substantial amount, $11 billion, was sold by nonfood retailers and other establishments. These estimates assume that 86 percent of the total sales of food stores and 71 percent of total sales of eating and drinking places consisted of food, based on estimates obtained from the 1963 Census of Business. 2/

In 1965, total sales of food stores were up 6 percent over those in 1964, with grocery stores showing more gains than specialty food stores. Sales of eating places increased 12 percent; drinking places, 3 percent.

Total food and alcoholic beverage expenditures for off-premise use increased 6 percent in 1965, slightly less than the 7 percent gain for purchased meals and beverages. Total expenditures for alcoholic beverages increased 4 percent compared with an increase of 6 percent for food alone. An approximate breakdown of expenditures for food and alcoholic beverages follows:

Item	On-premise		Off-premise	
	1964	1965	1964	1965
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
Food	13.7	14.7	64.5	68.6
Alcoholic beverages	4.9	5.2	7.5	7.6
Total	18.6	19.9	72.0	76.2

1/ By Stephen J. Hiemstra, Head, Food Consumption Section, ERS.

2/ "Food and Beverage Sales by the Retail Trade," National Food Situation, NFS-114 (November 1965), pp. 24-29 (reprinted as ERS-268).

Table 12.--Sources of food expenditures, 1965

Kind of business or product	Total sales of establishment 1/	Food as percentage of total sales 2/	Food sales or consumption
	Billion dollars	Percent	Billion dollars
Total expenditures for food and alcoholic beverages 1/			98.4
Alcoholic beverage sales 1/			12.9
Food expenditures 1/			85.4
Sales --			
By food stores	66.9	85.6	57.3
Grocery stores	61.1	84.7	51.7
Other food stores	5.8	95.7	5.6
By eating and drinking places	21.4	71.3	15.3
By other food sellers 3/			10.5
Food consumed on farms where produced			.9
Food furnished commercial and Government employees 4/			1.4

1/ Department of Commerce.
2/ Based on data from Bureau of the Census, 1963 Census of Business, Retail Trade, Merchandise Line Sales, United States Summary, BC63-RS7A, 1966.
3/ Estimated as a residual. (Includes sales in such establishments as department stores, variety stores, drug stores and liquor stores and sales by machine vendors and direct selling organizations.)
4/ Department of Commerce. Food served to the military and employees of hospitals, State prisons, hotels and other commercial food service establishments, and firms engaged in water transportation.

Sales by Commodity

A breakdown of sales from the annual survey of grocery stores sales conducted by Food Topics magazine shows that nearly a fourth of total sales

in 1965 consisted of nonfood items, including alcoholic beverages (table 13). 3/ The survey shows a slight increase in proportion of nonfood sales between 1963 and 1965. This survey apparently defined food differently than did the Census of Business. The food industry usually classifies such things as soaps and paper products as dry groceries so these items probably are classed as food by the Census.

Among food groups, meat and poultry increased in importance of sales in 1965 whereas most other major food groups declined slightly. Since meat consumption declined between 1964 and 1965, the increase in importance of meat apparently was due to the rise in prices.

1965 Food Consumption Survey

In the spring of 1965, the total value of food, including alcoholic beverages, used by housekeeping households averaged $35 per week, according to the 1965 Food Consumption Survey. 4/ Household size averaged 3.3 persons, including one-person households; the value of food per capita averaged $10.65 (table 14). Most of this food was used at home, but the total included $1.86 per capita of food away from home. The value of home-produced food and food received without expense, including federally donated food, amounted to $0.60 per capita per week.

The value of food varied considerably by income groups, from $8 per capita per week for households with incomes under $3,000 to $15 per capita per week for households with incomes over $10,000. The value of food away from home varied with income more than that used at home; it increased from $0.70 per capita per week for the lowest income group to $3.90 for the highest income group. As expected, the value of food received without expense was less at higher income levels. Most of the decline over income groups was due to the importance of home-produced food to the rural farm households. Rural farm households weigh heavily in the low-income groups.

The total money value of food per capita per week averaged $11 for urban households compared with $9½ for rural nonfarm households and $9 for rural farm households. About half the variation by urbanization was in the value of food used at home and the other half in the value of food away from home. About one-third of the value of food used at home by rural farm households was home produced, compared with only 7 percent for rural nonfarm households and 1 percent for urban households. The value of home-produced food by rural farm households did not change much from one income group to another. Partly for this reason, the total money value of food used by rural farm households did not vary over income groups as much as for urban or rural nonfarm households.

3/ For a detailed commodity breakdown of expenditures for food used at home from the Bureau of Labor Statistics 1960-61 Survey of Consumer Expenditures see "Food Expenditures in 1960-61," National Food Situation, NFS-117 (August 1966), pp. 37-47. (Reprinted as ERS-312.)

4/ Agricultural Research Service, Money Value of Food Used by Households in the United States, Spring 1965, Food Consumption Survey, 1965-66, Preliminary Report, CFE-300, September 1966, 12pp.

Table 13.--Distribution of grocery store sales, by commodity groups, 1963-65

Commodity group	Percentage of total sales			Percentage of food and nonfood sales		
	1963	1964	1965	1963	1964	1965
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Food:						
Meat, poultry, and fish:	25.2	25.4	26.0	33.0	33.3	34.5
Meat	19.7	20.0	20.5	25.8	26.2	27.2
Poultry	3.8	3.7	3.9	5.0	4.9	5.1
Fish	1.7	1.7	1.6	2.2	2.2	2.2
Eggs	1.1	1.1	1.0	1.5	1.4	1.3
Dairy products	7.7	7.4	7.0	10.1	9.7	9.3
Fruits and vegetables: 1/	18.9	18.9	18.6	24.7	24.8	24.5
Fresh produce	10.1	10.5	10.4	13.2	13.8	13.7
Processed products	8.8	8.4	8.2	11.5	11.0	10.8
Cereal and bakery products	9.8	9.7	9.4	12.8	12.7	12.5
Nonalcoholic beverages	5.3	5.6	5.3	6.9	7.3	7.1
Other foods 2/	8.5	8.1	8.1	11.0	10.8	10.8
Total food	76.5	76.2	75.4	100.0	100.0	100.0
Nonfood:						
Alcoholic beverages	4.9	4.9	4.9	20.8	20.7	19.8
Pet food	.8	.8	.9	3.4	3.5	3.6
Tobacco	4.2	4.0	3.8	17.9	16.7	15.3
Health and beauty aids	3.0	3.1	3.1	12.8	12.9	12.5
Soaps and laundry supplies	2.7	2.7	2.6	11.5	11.2	10.5
Paper products and foil	1.6	1.6	1.6	6.8	6.8	6.6
Housewares and household supplies 3/	2.0	2.0	2.1	8.6	8.6	8.5
Magazines, books, records	.3	.3	.3	1.2	1.2	1.2
Other nonfoods	4.0	4.4	5.3	17.0	18.4	22.0
Total nonfoods	23.5	23.8	24.6	100.0	100.0	100.0
Total all items	100.0	100.0	100.0	---	---	---
Value, all items (million dollars)	$53.9	$56.7	$60.4	---	---	---

1/ Including potatoes, sweetpotatoes, and melons. 2/ Includes frozen prepared foods; baking needs; candy and chewing gum; desserts; food fats and dressings; jams, jellies, and preserves; sugars and other sweeteners; and other foods. 3/ Includes cooking, kitchen aids, and serving utensils and such items as pesticides, waxes, mops, brooms, lightbulbs, and deoderizers.

Derived from annual survey of grocery stores by Food Topics, (C-M Food Industry Publications, Inc., New York).

Table 14.--Money value of food per capita, by income group, urbanization, and region, one week in Spring 1965 1/

Item	Household size 2/	All food	Money value of food used at home					Food away from home
			All	Purchased	Without expense			
					Total	Home produced	Other 3/	
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
U.S. total:								
All households 4/	3.29	10.65	8.79	8.19	0.60	0.39	0.21	1.86
Under 3,000	2.57	7.63	6.93	5.88	1.06	.70	.36	.70
3,000-4,999	3.39	8.91	7.74	7.05	.67	.47	.20	1.17
5,000-6,999	3.59	10.44	8.78	8.28	.51	.33	.18	1.66
7,000-9,999	3.60	11.97	9.66	9.29	.38	.22	.16	2.30
10,000 and over	3.63	14.92	11.02	10.58	.44	.27	.17	3.90
Urban:								
All households	3.16	11.24	9.09	8.81	.29	.10	.19	2.14
Under 3,000	2.26	8.14	7.34	6.81	.53	.16	.37	.80
3,000-4,999	3.19	9.02	7.71	7.46	.25	.08	.17	1.31
5,000-6,999	3.44	10.81	8.99	8.73	.26	.09	.17	1.82
7,000-9,999	3.53	12.23	9.75	9.53	.22	.07	.15	2.48
10,000 and over	3.56	15.50	11.25	10.98	.27	.12	.15	4.26
Rural nonfarm:								
All households	3.50	9.52	8.18	7.36	.82	.55	.27	1.34
Under 3,000	2.85	6.92	6.31	5.04	1.27	.84	.43	.61
3,000-4,999	3.70	8.72	7.76	6.84	.93	.62	.31	.95
5,000-6,999	3.90	9.67	8.29	7.62	.67	.48	.19	1.38
7,000-9,999	3.80	11.25	9.40	8.90	.51	.35	.16	1.85
10,000 and over	3.83	13.27	10.46	9.87	.58	.35	.23	2.81
Rural farm:								
All households	3.99	8.94	7.98	5.34	2.64	2.46	.18	.96
Under 3,000	3.81	7.29	6.78	4.05	2.72	2.55	.17	.51
3,000-4,999	4.00	8.80	7.86	5.19	2.66	2.49	.17	.94
5,000-6,999	4.16	9.66	8.62	6.10	2.52	2.33	.19	1.05
7,000-9,999	3.95	10.80	9.39	6.79	2.59	2.38	.21	1.41
10,000 and over	4.41	10.86	9.11	6.54	2.57	2.34	.23	1.75
Region:								
Northeast	3.28	11.98	9.77	9.45	.32	.13	.19	2.21
North Central	3.38	10.37	8.67	8.01	.66	.49	.17	1.70
South	3.28	9.55	7.92	7.13	.79	.54	.25	1.63
West	3.13	11.44	9.35	8.85	.50	.27	.23	2.09

1/ Includes alcoholic beverages. Data may not add precisely because of rounding.
2/ Total number of meals served from home food supplies divided by 21.
3/ Includes money value of food federally donated and received as gift or pay.
4/ Includes households not classified by income.

Derived from Food Consumption Survey, 1965-66, Preliminary Report, Money Value of Food Used by Households in the United States, Spring 1965, CFE(Adm.)-300, September 1966.

The value of food per capita ranged regionally from $9.55 in the South to $11.98 in the Northeast. Spending for food away from home was greatest in the Northeast and West. The value of home-produced food was greatest in the South and in the North Central Region.

These data from the 1965 Food Consumption Survey can be compared with similar data from a survey made in spring 1955 (fig. 6). 5/ The money value of food per capita per week in spring 1955 averaged $9.01, $6.80 of which was purchased for use at home, $1.43 away from home, and $0.78 received without expense. The increase of 18 percent over the 10 years was nearly paralleled by a 16 percent increase in retail food prices as measured by the Consumer Price Index.

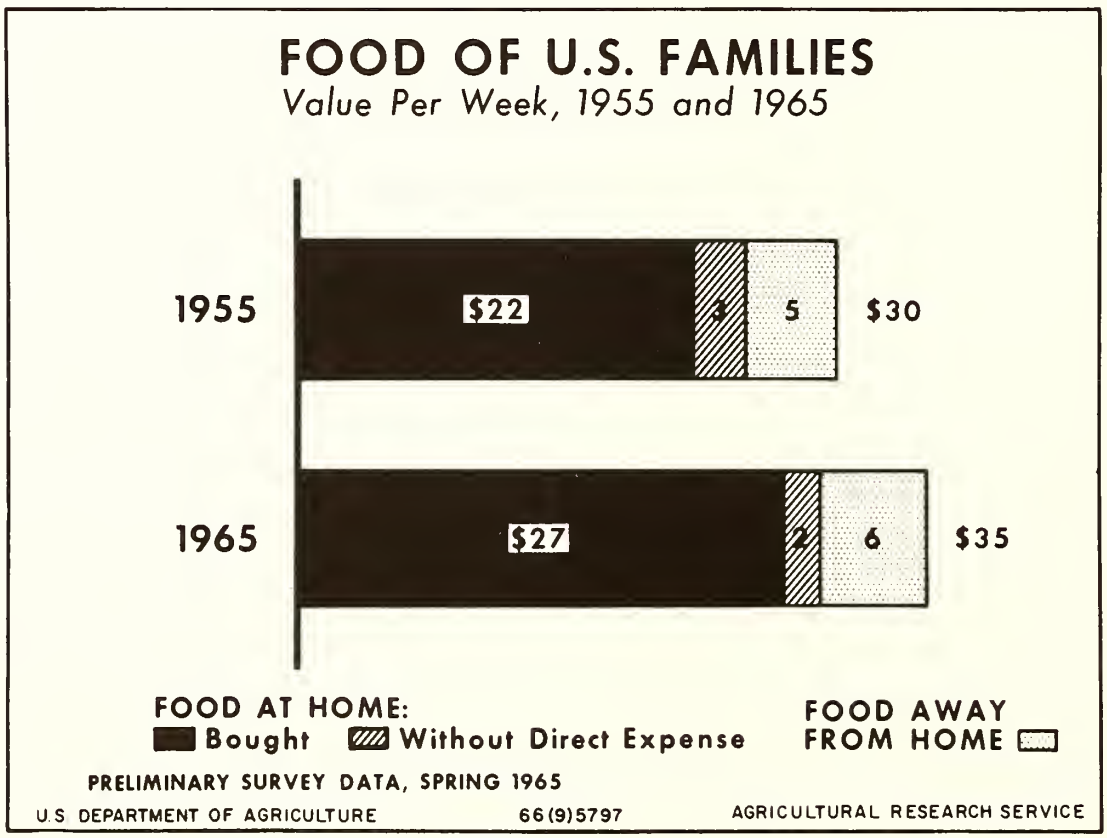

Figure 6

5/ Estimated from Food Consumption of Households in the United States, Household Food Consumption Survey 1955, Report No. 1, tables 2 and 3.

SWEETENER SITUATION

There was a significant increase in deliveries of sweeteners in 1966, and this trend is expected to extend into 1967. Sugar prices at all levels were slightly higher in 1966 than in 1965. Corn sirup and saccharin prices remained unchanged in 1966. Dextrose prices declined in second-quarter 1966 but have since increased. Cyclamate (a noncaloric sweetener) prices declined again this year. Sweetener prices appear likely to continue near present levels in 1967.

Sugar

Consumption of sugar (refined basis 1/) for 1964 to 1966 follows:

Year	Total	Per capita
	1,000 tons	Pounds
1964	9,268	96.5
1965	9,388	96.5
1966 (preliminary)	9,551	97.1

Total sugar deliveries to the 50 States are expected to reach 9.65 million tons (refined basis) this year, up from 9.4 million tons last year. Since expected deliveries for 1966 are higher than anticipated consumption, there will be an increase in invisible stocks of as much as 100,000 tons. 2/

Between August and October the U.S. Department of Agriculture increased total U.S. sugar requirements for 1966 by 150,000 tons. The present total of 10,375,000 tons for 1966 is second only to the requirements of 10.4 million tons each in 1960 and 1963.

The October Crop Production Report forecasts domestic production of sugar cane for the 1966 crop year up 12 percent from last year's output. Domestic production of sugar beets is estimated about the same as a year ago. Sugar production in the coming year likely will be higher in Europe, Australia, South Africa, and Cuba. In view of expected large world supplies, world sugar prices appear likely to remain at low levels. However, only a small portion of world production (about 10 percent) is actually sold at world market prices.

The domestic raw sugar spot price as of November 8 was $7.12 per cwt. (New York), up from $6.85 last March. The retail U.S. average price of refined sugar increased from 11.88 cents a pound in January 1966 to 12.12 cents in September. Chicago-West wholesale refined beet sugar price quotations increased

1/ 107 pounds of sugar, raw value, produces 100 pounds of refined sugar.
2/ Invisible stocks are unreported supplies held by large commercial buyers.

from $9.35 per cwt. last summer to $9.65 October 1, and $9.80 per cwt. on November 1; they have been 20 cents below cane sugar prices. Similarly, Pacific Coast cane and beet sugar wholesale prices quoted at $9.40 per cwt. last summer rose to $9.80 per cwt. October 1, and $9.95 per cwt. on November 1.

Changes in wholesale refined sugar price quotations normally lag changes in raw prices by a month or more. Wholesale refined sugar price increases are frequently scheduled to become effective on a specified date following the announcement but price declines are effective immediately. Announcements of delayed price rises usually stimulate expanded sugar deliveries to users during the period before the scheduled price increase becomes effective.

Corn Sweeteners

Based on January-August deliveries this year, overall corn sirup consumption is expected to be about 3 percent larger in 1966 than last year and dextrose consumption is expected to be about 4 percent greater:

Year	Dextrose		Corn sirup 1/		Total	
	Total	Per capita	Total	Per capita	Total	Per capita
	1,000 tons	Lbs.	1,000 tons	Lbs.	1,000 tons	Lbs.
1964	469	4.9	1,165	12.1	1,634	17.0
1965	475	4.9	1,189	12.2	1,664	17.1
1966 2/	494	5.0	1,225	12.5	1,719	17.5

1/ Includes dry-weight equivalent of corn sirup solids.
2/ Preliminary estimates--based on January-August deliveries.

Computed from Sugar Reports.

Dextrose prices--dry basis--which averaged $8.96 per cwt. (600-bag carload f.o.b., New York) during February-March this year declined to a low of $8.76 per cwt. during April-June and subsequently rose to $8.89 per cwt. in August-September. Since October 1965, dextrose prices have been about 14 percent below prices for Northeast wholesale refined sugar.

Corn sirup prices--dry basis--have remained unchanged since August 1964. The Northeast price is $8.34 per cwt. (dry basis--tank car, f.o.b. New York), about 19 percent below the price for wholesale refined cane sugar. In Chicago, the quoted price of corn sirup continues at $7.12 per cwt. (dry weight basis--43° unmixed, tank car), 18 percent below the quoted price of Chicago-West wholesale refined beet sugar.

Dextrose and corn sirup prices reflect different methods of pricing. Generally, dextrose price quotations stay in a certain relationship to wholesale refined sugar prices. Changes in corn sirup prices are likely to reflect changes in the cost of corn, as long as they remain below sugar prices. Corn sirup prices have been stable in recent years along with the price of corn.

Table 15.--Noncaloric sweeteners: Estimated U.S. supply and utilization, 1963-66

Year	Supply				Utilization			
						Sweetness equivalent		
							Sugar 5/	
	Production 1/	Imports 2/	Beginning stocks 3/	Total	Total	Cyclamate 4/	Total	Per capita
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 tons	Pounds
	Saccharin							
1963 6/	1,543	1,121	172	2,836	2,647	26,470	397	4.2
1964	2,443	785	189	3,417	3,058	30,580	459	4.8
1965	2,568	755	359	3,682	3,397	33,970	510	5.2
1966 7/	2,888	840	285	4,013	3,663	36,660	549	5.6
	Cyclamate							
1963 6/	4,172	446	508	5,126	4,524	4,524	68	0.7
1964	9,772	1,043	602	11,417	8,981	8,981	135	1.4
1965	10,273	442	2,436	13,151	11,563	11,563	173	1.8
1966 7/	12,312	500	1,588	14,400	13,350	13,350	200	2.0
	Total							
1963 6/	5,715	1,567	680	7,962	7,171	30,994	465	4.9
1964	12,215	1,828	791	14,834	12,039	39,561	594	6.2
1965	12,841	1,197	2,795	16,833	14,960	45,533	683	7.0
1966 7/	15,200	1,340	1,873	18,413	17,013	50,010	749	7.6

1/ Domestic production of noncaloric sweeteners reported by U.S. Tariff Commission. Production of saccharin and cyclamate estimated on basis of trade information.

2/ Saccharin reported by U.S. Bureau of the Census, cyclamate by U.S. Tariff Commission.

3/ Beginning stocks are rough approximations on basis of trade information.

4/ Assumes that saccharin is 10 times sweeter than cyclamate.

5/ Assumes that saccharin is 300 times sweeter than sugar and cyclamate is 30 times sweeter than sugar.

6/ Revised.

7/ Rough forecast, subject to revision in September 1967.

Noncaloric Sweeteners

Data for recent years suggest that domestic output and use of noncaloric sweeteners will continue to increase in future years but at a somewhat slower rate than during 1957-64 (table 15).

Although saccharin prices have remained unchanged since January 1965, bulk cyclamate price quotations declined from 64 cents to 55 cents per pound on October 1, 1966. Cyclamate prices had been 85 cents a pound in July 1965.

Sales of noncaloric soft drinks have increased in recent years. They have obtained an increasing share of the soft drink market which has expanded substantially. Less than 1 percent of the soft drink marketed in 1960 used noncaloric sweeteners as compared with 14 percent in 1965. Per capita consumption of soft drinks increased from 48 quarts in 1960 to 65 quarts in 1965; about half of the increase was sweetened with noncaloric sweeteners. Although use in soft drinks is the largest market for noncaloric sweeteners, sales in other markets appear also to be growing.

FISHERY PRODUCTS SITUATION 1/

Supplies of edible fishery products at the end of September were larger than a year earlier. Stocks of frozen products were up substantially, with marked increases in holdings of fillets and steaks of cod, flounder, and ocean perch. Stocks of fish sticks and portions, halibut, salmon and whiting, and spiny lobster tails were up also. Holdings of frozen shrimp and scallops were down from a year ago.

The fine run of pinks in Alaska this year and a good run of reds assure plentiful stocks of canned salmon for some months to come. Supplies of canned tuna also appear adequate with the pack to date running well ahead of last year.

The total catch of fish and shellfish for human food this year will about equal the 2.55 billion pounds of 1965. Imports of edible products likely will exceed those of last year. However, the 1966 beginning inventory was smaller than a year earlier and total supplies this year may fall a little short of the amount available in 1965.

Average retail prices for fishery products advanced throughout 1965 and the first 3 quarters of 1966. Further gains are likely in the fourth quarter.

Present indications are that per capita consumption for 1966 will not quite reach the 11.0 pounds, edible weight, consumed last year. No change is in prospect for fresh and frozen or cured products, but consumption of canned fishery products likely will fall off a little.

For 1967, the outlook is for a continued high rate of per capita consumption at only slightly higher prices. Total domestic production may not increase from 1966 but increasing imports are expected to supplement domestic production.

1/ Prepared by the Fish and Wildlife Service, U.S. Department of the Interior.

World-wide consumption of fishery products is expected to increase. The world catch of fish and shellfish has more than doubled during the last decade, from about 60 billion pounds to more than 120 billion, but the U.S. catch has not increased.

COCOA SITUATION

Due to lower world cocoa production in 1965/66 and record high 1966 grindings, wholesale cocoa bean prices this year have averaged well above 1965. For the first 10 months of this year, prices of New York "spot" Accra averaged 24.4 cents per pound, compared to 16.7 cents during same period of 1965. October 1966 prices averaged 23.9 cents, about 6.8 cents above October 1965. Even though 1966/67 world production will be higher than that of the previous year, prices will probably remain firm into 1967 as world grindings again are expected to be substantial.

The revised estimate for world production for crop year 1965/66 is 1.24 million metric tons, down 17 percent from the record 1964/65 harvest. Early season forecasts for the 1966/67 crop indicate an outturn of around 1.38 million tons, 11 percent above the previous crop year and second largest on record.

World grindings in 1967 are expected to equal the 1.4 million ton grind in 1966. The rapid rate of growth in world grindings experienced in 1965 and 1966 is not expected to be repeated in 1967 due to firmer cocoa bean prices. U.S. cocoa bean grindings for the first 3 quarters of 1966 were well above recent years, reflecting abundant supplies and low prices. During third-quarter 1966, U.S. grindings amounted to 151.1 million pounds, 1.3 percent above the corresponding 1965 period. Cumulative 9-month 1966 grindings totaled 472.4 million pounds, 5 percent above the similar 1965 period. Fourth quarter grindings in 1966 are expected to approximate the 177.5 million pounds during fourth-quarter 1965.

U.S. cocoa bean imports for the first 9 months of 1966 were 589.4 million pounds, 2.4 percent below the 603.9 million imported during the same period for 1965.

Per capita cocoa bean consumption is expected to increase slightly to 4.1 pounds in 1966 and is expected to remain at this level through 1967.

Officials at the last cocoa technical session in Geneva during September reached agreement on 2 points: The cocoa year ought to begin July 1 for purposes of a commodity agreement and cocoa traded by countries that do not join any eventual agreement should be controlled. Cocoa was again discussed at the recent United Nations Trade and Development Board meeting, but nothing of substance was decided. Differences continue to exist on other important problems, including the minimum level at which cocoa prices should be stabilized on the world market, the operation and prefinancing of a regulatory buffer stock, and the control and supervision of the proposed agreement.

TEA SITUATION

Tea prices at the retail level continue to reflect a high degree of stability relative to prices of coffee and cocoa. Despite lower wholesale prices, retail prices per 48-bag package averaged 61.0 cents during the first 9 months of 1966, about the same as for the comparable period in 1965. Retail prices in 1967 will probably approximate current levels.

For the first 9 months of 1966, New York wholesale prices of black teas averaged 49.2 cents per pound, declining from 53.1 cents in January to 45.6 cents in September. The decline is attributed to a larger than expected world tea crop in 1966 and to the devaluation of the Indian rupee. Prices averaged about 4 cents below a year earlier. Although world tea prices have remained relatively stable over the years, growers are continually being faced with higher production costs and more taxation.

World tea production for 1966 (excluding Mainland China) is now expected to be approximately 4 to 5 percent above the record 1965 outturn of 2,056 million pounds. Larger crops are being harvested in almost all major producing countries, as growers continue to expand acreage and replant with higher yielding varieties. Over the years, rising world consumption has paralleled the upward trend in production; however, it now appears that there may be a slight surplus in 1966.

World exports in 1965 also set a record. At 1,286 million pounds, exports were 4.3 percent above 1964 and 2.8 percent above the previous high in 1963. In 1965, Ceylon replaced India as the world's largest tea exporter, shipping 494.5 million pounds, compared with India's 439.5 million. Only about half the world tea crop enters into world trade as large quantities are consumed in producing countries.

Imports of tea into the United States--second only to the United Kingdom as the world's largest importer--during 1965 totaled 130 million pounds valued at $58 million, down slightly from 1964 imports of 134 million pounds valued at $60 million. U.S. imports during the first 9 months of 1966 amounted to 102 million pounds valued at $44 million, compared to 95 million pounds valued at $44 million during the same period for 1965. Tea imports have remained relatively stable between 1962 and 1965; U.S. consumers continue to consume small amounts in relation to total beverage use. U.S. tea consumption may increase slightly in 1966 and 1967, but still remain less than 1 pound per capita. This compares with per capita coffee use (bean equivalent basis) of about 15 pounds. United Kingdom per capita consumption of tea averages about 9 1/2 pounds.

COFFEE SITUATION

In September 1966, the U.S. average retail price per pound of canned coffee and per 6 ounce jar of instant were 82.5 cents and 91.7 cents, respectively. Canned coffee prices in 1966 averaged 82.8 cents from January through September, about 1 percent below the same period for 1965. Instant coffee prices at 91.3 cents through September averaged about 5 percent below the similar 1965 period.

Wholesale prices of Santos #4 (Arabica)--the Brazilian type and grade most used in roasted regular coffee blends--have been declining this year, continuing a trend that began in April 1964. However, September 1966 prices were up slightly from 40.8 cents in July--the lowest in 2 1/2 years. This general downtrend in price of Santos #4 was influenced by optimistic production estimates for the previous crop year, failure of world demand to measure up to earlier expectations, and consequent mounting surpluses. Wholesale prices of Ambriz #2AA (Robusta)--a less expensive type used largely in processing instant coffee--averaged 33.3 cents in August 1966, 4 cents below a year earlier.

As in the case of many agricultural products, coffee prices tend to be less volatile as the product moves closer to the ultimate consumer. In recent years much of the wide fluctuation that was characteristic of green coffee prices in earlier years has been reduced as a result of the operation of the International Coffee Agreement.

The total world coffee crop for 1965/66 was estimated at 80.9 million bags, surpassing the previous record crop of 78.9 million bags in 1959/60. Total exportable production (production minus domestic consumption) was 65.9 million bags. The latest estimate by the Foreign Agricultural Service for the 1966/67 world crop is for total production of 65.2 million bags, of which 49.7 million bags are estimated to be exportable. The lower crop estimate for next year is due primarily to an expected reduction in Brazil.

Even though production in 1966/67 likely will be down from the previous year's record crop, wholesale prices of green coffee are not expected to change appreciably in 1967 and may continue to decline slightly. Production will be ample to allow countries to fill their quotas as prescribed by the International Coffee Agreement. Due in part to declining green coffee prices and competition between wholesalers, wholesale prices for roasted coffees were reduced by some processors during the third quarter. It is expected that retail prices in 1967 will average slightly below 1966.

The Bureau of the Census reports that imports of green coffee during the third quarter of 1966 amounted to 5.0 million bags, a decrease of 9 percent from second quarter 1966, but an increase of 9 percent over third quarter 1965. Imports for the first 3 quarters of 1966 at 6.7 million bags, were about 20 percent above the same period in 1965. Imports of instant coffee so far this year are more than triple those of last year due primarily to low priced imports from Brazil.

Coffee roastings during the third quarter of 1966, which include roastings for soluble use, amounted to 5.1 million bags, only 1 percent below second quarter 1966 and about the same as third quarter 1965. Roastings for the first 3 quarters of 1966 were at virtually the same level as for the similar period 1965. Inventories of green coffee in the United States totaled 3.3 million bags on September 30, 1966, a decline of 4 percent from stocks on June 30, 1966, and 25 percent above stocks on hand September 30, 1965. Of the total stocks on hand at end of third quarter 1966, 82 percent were held by roasting firms.

Annual Consumption Trends

Between 1946 and 1965, U.S. per capita consumption of coffee on a bean equivalent basis declined irregularly from its all-time high of 20.1 pounds to 14.8 pounds, a 26 percent drop. The decline between 1951, when records on the consumption of instant coffee began, and 1965 amounted to 11 percent. Per capita consumption of regular coffee declined 23 percent in the recent period whereas consumption of instant more than tripled (figure 7). Consumption appeared to have reached a plateau between 1956 and 1963, but significant declines occurred in 1964 and 1965. The recent decline affected both regular and instant coffee. Little change is expected in per capita consumption of total coffee between 1965 and 1966.

Quarterly Consumption 1/

Newly developed data show that quarterly consumption of coffee displayed some seasonal variation between 1955 and 1965 (table 16). Peak consumption usually has occurred in the first quarter (winter months) while lowest rates of consumption usually occurred in the third quarter (summer months).

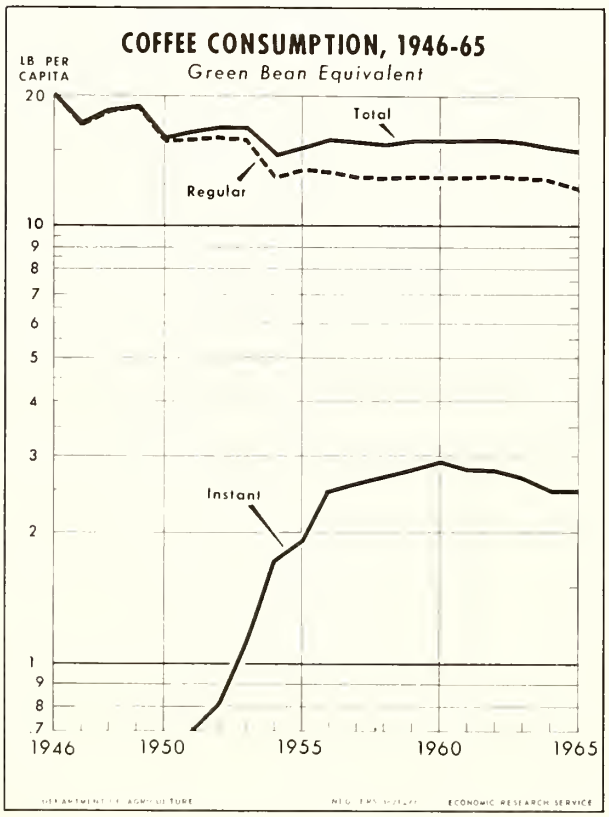

Figure 7

Per capita consumption for all first quarters averaged 4.2 pounds from 1955 to 1966. First-quarter consumption declined irregularly to 3.7 in 1965 after its high mark of 4.7 in 1956. First-quarter 1966 was above the abnormally low rate of a year earlier but was 4 percent below the 1955-66 first-quarter average.

Third-quarter consumption has declined irregularly but persistently since 1959, registering a sharp decline between 1963 and 1965. The significant reduction in third-quarter consumption during 1964 and 1965--about three-quarters of a pound--may indicate increasing competition from soft drinks during summer months. The third-quarter decline was largely responsible for the 0.9 pound decrease in total per capita coffee consumption between 1963 and 1965.

1/ By Robert G. Ainsworth, Food Consumption and Utilization Section, Economic Research Service.

Table 16.--Coffee (green bean equivalent): Per capita consumption, by quarters, 1955-66

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	Lb.	Lb.	Lb.	Lb.	Lb.
1955	3.8	3.7	3.6	4.3	15.3
1956	4.7	3.7	3.7	3.8	15.9
1957	4.3	3.6	3.5	4.1	15.7
1958	4.0	3.9	3.4	4.2	15.5
1959	4.3	3.9	3.9	3.8	15.9
1960	4.2	3.8	3.6	4.2	15.8
1961	4.3	3.8	3.6	4.1	15.8
1962	4.2	3.7	3.7	4.3	15.9
1963	4.2	3.7	3.7	4.1	15.7
1964	4.5	3.7	3.1	3.9	15.3
1965	3.7	3.6	2.9	4.6	14.8
1966 2/	4.0	3.4	---	---	14.8
Average (11 yrs.)	4.2	3.7	3.5	4.1	15.6

1/ Detail may not add because of rounding and because the annual estimate is total disappearance divided by the July 1 population whereas quarterly estimates are based on mid-quarter population data.
2/ Preliminary.

Second-quarter consumption, averaging 3.7 pounds for the period, has declined steadily since 1958. In the last 2 years, however, the rates of decline were less dramatic than those of third quarter 1963 to 1965. Consumption in the fourth quarters averaged 4.1 pounds, slightly below the average for the first quarters. Fourth-quarter consumption, however, has been the year's high 4 times since 1955, including last year. In 1965, consumption in every quarter but the fourth was below its average for the period.

International Developments

The eighth session of the International Coffee Council (ICC), which met in London from August 22 to September 6 of this year, adopted important changes in the International Coffee Agreement. In general, these changes permit more flexibility in balancing supplies and demands and provide for stricter controls of shipments to prevent evasion of quota regulations.

During this session the ICC established export quotas for the 1966/67 coffee year at 43.7 million bags, plus an allotment of 1.1 million bags as special export authorizations to be distributed pro rata to basic quotas.

Waivers totaling 2.1 million bags were granted to 18 countries--injecting a measure of flexibility into the agreement in the form of a selective adjustment of quotas. Also, the Certificate of Origin system was strengthened by requiring coffee export stamps to be attached to the Certificate.

NUTRITIONAL REVIEW 1/

Except for ascorbic acid, per capita levels of nutrients provided by the national food supply are expected to remain the same in 1967 as in 1966. With a forecast for a substantial increase in the citrus crop, it is expected that the amount of ascorbic acid will be at least 3 percent higher than the present level. Average nutrient levels in 1966 are much like those in 1965 (table 17). In turn, the 1965 levels differed little from those for 1964.

Long-time trends for food energy (calories) and the energy yielding nutrients--carbohydrate, fat, and protein--are shown in figure 8. About 10 percent fewer calories per person are supplied now than in 1909-13. Decreased consumption of flour and cereal products--50 percent less than in the early part of the century--is the main cause of the decline in calories. It largely accounts for the marked drop in the carbohydrate level to about 75 percent of the per person quantity available a half century ago. Greater consumption of fats and oils, particularly salad and cooking oils, has contributed to an increase in dietary fat. The level of protein is a little lower in 1966 than in 1909-13 but the decline has not been as great as for total food energy.

Although protein levels have remained fairly constant, significant changes have occurred in sources of this nutrient over the past half century. Shifts in consumption patterns have resulted in a gradual rise in the proportion of protein furnished by animal sources (fig. 9). Two-thirds of the protein today comes from animal products compared with one-half in 1910. Meat, poultry, and fish currently provide the largest share of the protein, and dairy products are the second largest source (table 19). In contrast, grain products furnished the major proportion of the total amount in 1909-13.

Higher consumption of beef and poultry accounts for most of the gains in protein from meat, poultry, and fish (table 18). Since 1909-13, consumption of beef has increased 40 percent; consumption of poultry has increased two and a half times. Beef, however, always has been a good provider of protein supplies. Early in the century, beef furnished one-tenth of the total. At present, it supplies 16 percent, a sizable contribution for a single food. By comparison, poultry provided only a relatively small proportion of the total in 1909-13, 3 percent, but furnishes over 7 percent today.

Some dairy products contributed more than others to the increased proportion of protein available from dairy products. Cheese, nonfat dry milk,

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1/ Prepared by Berta Friend, Consumer and Food Economics Research Division, Agricultural Research Service.

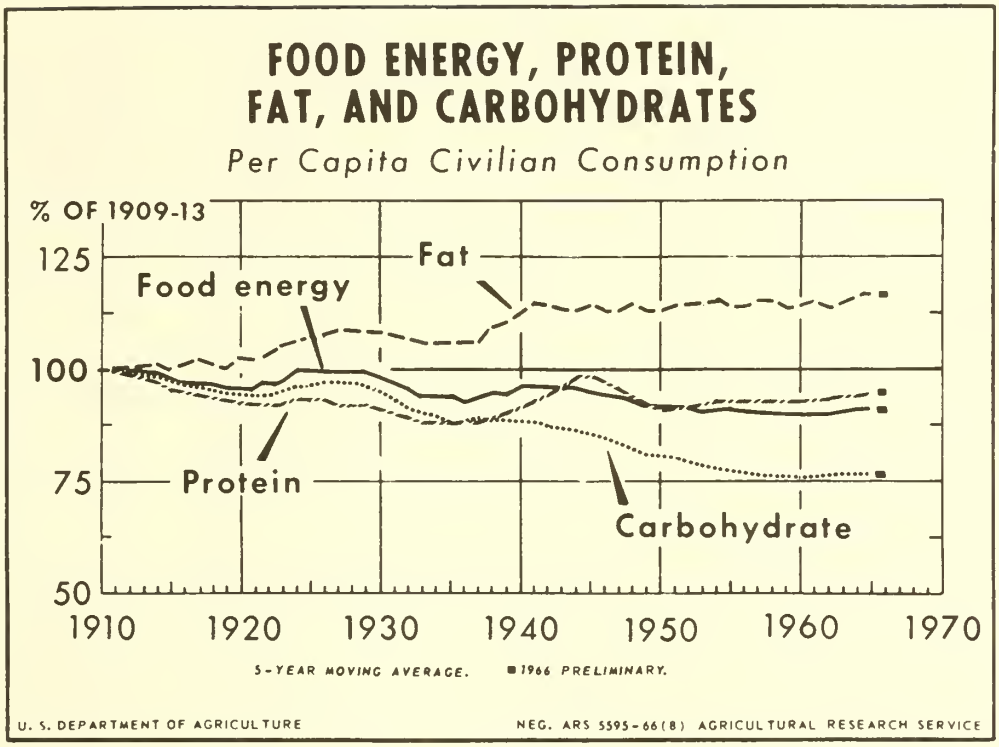

Figure 8

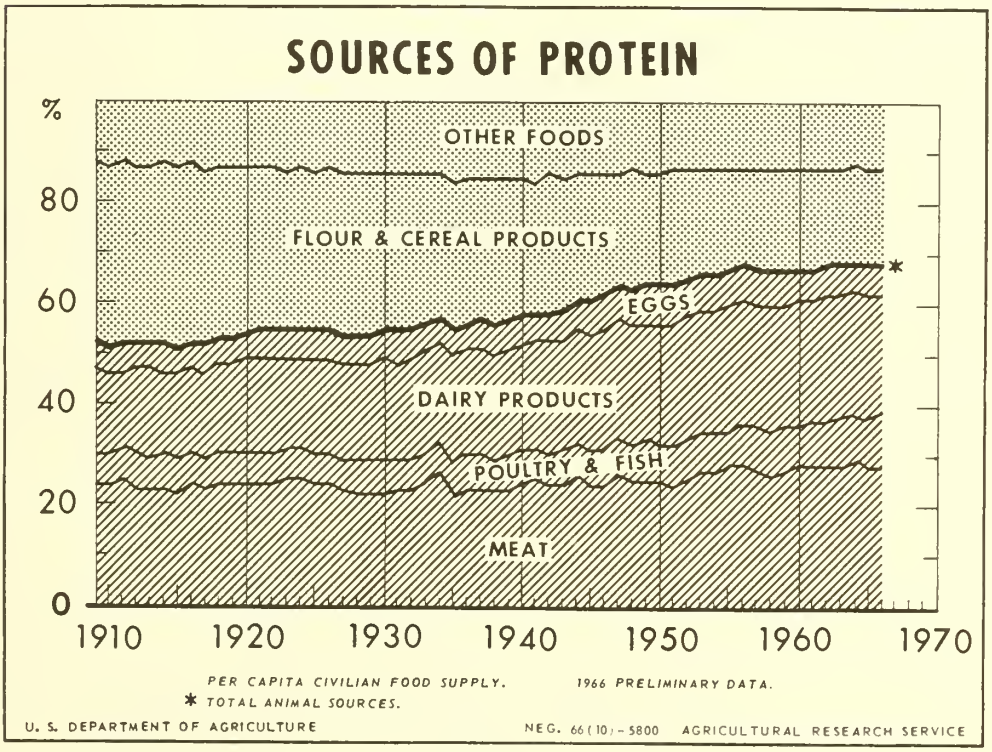

Figure 9

Table 17.--Nutrients available for civilain consumption, per capita per day, selected periods 1/

Nutrient	Unit	Average 1947-49	Average 1957-59	1964	1965	1966 preliminary	1966 as a percentage of-- 1947-49	1957-59	1965
Food energy	Cal.	3,230	3,140	3,190	3,160	3,160	98	101	100
Protein	Gm.	95	95	97	96	97	102	102	101
Fat	Gm.	141	143	148	145	145	103	101	100
Carbohydrate	Gm.	403	374	374	374	375	93	100	100
Calcium	Gm.	.99	.98	.97	.96	.96	97	98	100
Phosphorus	Gm.	1.54	1.51	1.52	1.50	1.51	98	100	101
Iron	Mg.	16.7	16.1	16.7	16.5	16.6	99	103	101
Vitamin A value	I.U.	8,700	8,000	7,700	7,800	7,700	89	96	99
Thiamine	Mg.	1.91	1.84	1.84	1.80	1.80	94	98	100
Riboflavin	Mg.	2.28	2.28	2.28	2.26	2.26	99	99	100
Niacin	Mg.	21.0	20.6	21.6	21.4	21.6	103	105	101
Ascorbic acid	Mg.	113	105	100	102	103	91	98	101

1/ Data computed by Consumer and Food Economics Research Division, ARS, on the basis of estimates of apparent per capita consumption (retail basis), including estimates of produce of rural and urban home gardens, supplied by the Economic and Statistical Analysis Division, ERS. No deduction has been made in nutrient estimates for loss or waste of food in households or for destruction or loss of nutrients during the preparation of food. Data include quantities of iron, thiamine, riboflavin, and niacin added to flour and cereal products; quantities of vitamin A value added to margarine and milk of all types; quantities of ascorbic acid added to fruit juices and drinks.

Table 18.--Contribution of specified meats, and of poultry and fish to total protein, selected periods 1/

	1909-13	1925-29	1935-39	1947-49	1957-59	1966 2/
	Percent	Percent	Percent	Percent	Percent	Percent
Beef	10.3	8.9	9.5	10.6	13.3	15.9
Veal	1.2	1.3	1.5	1.7	1.3	.9
Lamb and mutton	1.1	.9	1.2	.8	.7	.6
Pork, lean	6.8	7.5	6.5	7.5	7.0	6.2
Pork, fat cuts (bacon and saltside)	1.6	1.8	1.6	1.8	1.7	1.5
Edible offals	2.2	2.1	2.0	2.4	2.3	2.2
Game	.5	.4	.4	.5	.6	.5
Total meat	23.8	22.9	22.7	25.3	26.8	27.8
Poultry	3.3	3.4	3.4	4.5	5.8	7.3
Fish	2.9	3.1	3.1	2.9	3.0	3.5
Total meat, poultry, and fish	29.9	29.4	29.3	32.7	35.7	38.6

1/ Components may not add to total due to rounding.
2/ Preliminary.

Table 19.--Contribution of major food groups to nutrient supplies available for civilain consumption, 1957-59 average and 1966 1/

Food group	Food energy	Protein	Fat	Carbo-hydrate	Calcium	Phos-phorous	Iron	Vitamin A value	Thiamine	Ribo-flavin	Niacin	Ascorbic acid
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1957-59 Average												
Meat (including pork fat cuts), poultry, and fish	18.2	35.7	33.0	0.1	3.2	22.0	27.1	19.9	27.4	21.2	42.3	1.1
Eggs	2.6	6.8	4.0	.1	2.8	6.8	7.1	7.3	2.8	6.5	.1	0
Dairy products, excluding butter	13.5	24.5	16.5	7.7	76.6	38.8	2.3	12.7	10.5	45.3	2.0	5.2
Fats and oils, including butter	16.0	.1	39.4	2/	.4	.2	0	8.7	0	0	0	0
Citrus fruits	.7	.4	.1	1.5	.8	.6	.8	1.1	2.1	.4	.7	22.1
Other fruits	2.6	.8	.3	5.6	1.3	1.3	4.4	6.9	2.2	1.8	2.3	10.9
Potatoes and sweetpotatoes	2.8	2.4	.1	5.3	1.0	3.9	4.3	8.3	6.4	1.9	7.6	20.6
Dark green and deep yellow vegetables	.3	.5	2/	.5	1.6	.7	1.9	20.7	.9	1.2	.7	9.2
Other vegetables, including tomatoes	2.3	3.3	.4	4.2	4.6	4.7	9.1	13.8	6.9	4.4	6.2	30.8
Dry beans and peas, nuts, soya flour	2.9	5.2	3.2	2.3	2.6	5.7	7.4	2/	6.0	1.9	6.3	2/
Flour and cereal products	21.4	19.9	1.5	37.6	3.3	13.1	28.2	.4	34.8	14.6	25.2	0
Sugars and other sweeteners	15.8	2/	0	34.2	.8	.2	4.3	0	2/	.1	2/	2/
Coffee and cocoa 3/	.8	.4	1.4	.7	1.1	2.0	3.0	2/	.1	.8	6.4	0
Total 4/	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1966 5/												
Meat (including pork fat cuts), poultry, and fish	18.9	38.6	33.5	0.1	3.3	23.8	28.6	21.3	26.9	23.1	44.6	1.1
Eggs	2.2	5.7	3.4	.1	2.4	5.8	6.0	6.5	2.5	5.6	.1	0
Dairy products, excluding butter	12.5	23.6	14.5	7.4	76.7	38.1	2.3	12.1	10.4	44.5	1.8	5.0
Fats and oils, including butter	16.7	.1	41.2	2/	.4	.2	0	8.8	0	0	0	0
Citrus fruits	.7	.4	.1	1.4	.7	.5	.7	1.1	2.1	.4	.7	21.1
Other fruits	2.4	.7	.3	5.2	1.2	1.2	4.0	6.5	2.0	1.6	2.0	12.1
Potatoes and sweetpotatoes	2.8	2.4	.1	5.4	1.0	3.9	4.4	7.5	6.6	1.8	7.4	21.0
Dark green and deep yellow vegetables	.3	.5	2/	.5	1.5	.6	1.7	20.6	.9	1.1	.7	9.2
Other vegetables, including tomatoes	2.4	3.2	.4	4.3	4.6	4.8	9.0	15.2	7.1	4.4	6.1	30.6
Dry beans and peas, nuts, soya flour	3.0	5.2	3.6	2.3	2.7	5.9	7.1	2/	6.1	1.9	6.8	2/
Flour and cereal products	21.0	19.2	1.5	37.2	3.4	13.0	28.1	.4	35.3	14.7	24.0	0
Sugars and other sweeteners	16.3	2/	0	35.5	1.0	.2	5.4	0	2/	.1	2/	2/
Coffee and cocoa	.8	.4	1.4	.7	1.0	1.9	2.8	2/	.1	.8	5.8	0
Total 4/	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Percentages were derived from nutrient data which include quantities of iron, thiamine, riboflavin, and niacin added to flour and cereal products; quantities of vitamin A value added to margarine and milk of all types; quantities of ascorbic acid added to fruit juices and drinks.
2/ Less than 0.05 percent.
3/ Chocolate liquor equivalent of cocoa beans.
4/ Components may not add to total due to rounding.
5/ Preliminary.

ice cream, and frozen desserts are among the gainers. Fluid and evaporated whole milks also provide a larger share than they did at the beginning of the century, but use of these products has tapered off since the peak years in the 1940s.

Decreased use of flour was cheifly responsible for grain products moving from first to third place as a provider of protein. Nevertheless, grain products continue to be an important source; they are furnishing about 19 percent of the protein available in 1966 compared with 36 percent in 1909-13.

The amount of protein furnished by the national food supply has always been generous relative to nutritional requirements, even in the mid-1930s when levels were the lowest on record. With the present level near 100 grams per capita per day, two-thirds of which comes from animal sources, the quantity and quality of protein available to the Nation are high.

The National Food Situation is published in February, May, August and November.

The next issue is scheduled for release February 1967.

The 44th Annual National Agricultural Conference was held November 14 to 17, 1966, at Washington, D.C. Situation and outlook statements, including "Outlook for food consumption, prices and expenditures," are available from Division of Information, Office of Management Services, U.S. Department of Agriculture, Washington, D.C. 20250.

Table 20.--Production of major food commodities, calendar years, selected periods, 1947-66 1/

Commodity	Unit	Average 1947-49	Average 1957-59	1963	1964	1965	1966 Preliminary 2/	1966 as a percentage of 1947-49	1966 as a percentage of 1957-59	1966 as a percentage of 1965
Meats (carcass weight) - Total	Mil. lb.	22,100	26,612	30,595	32,705	31,560	32,120	145	121	102
Beef	Mil. lb.	9,649	13,704	16,450	18,448	18,718	19,400	201	142	104
Veal	Mil. lb.	1,454	1,240	928	1,011	1,018	930	64	75	91
Lamb and mutton	Mil. lb.	716	711	770	715	651	640	89	90	98
Pork (excluding lard)	Mil. lb.	10,281	10,957	12,447	12,531	11,173	11,150	108	102	100
Poultry and eggs 3/										
Eggs	Mil. doz.	5,086	5,475	5,318	5,368	5,382	5,375	106	98	100
Chicken (ready-to-cook)	Mil. lb.	2,753	4,880	6,077	6,257	6,654	7,225	262	148	109
Turkey (ready-to-cook)	Mil. lb.	491	1,065	1,342	1,436	1,508	1,680	342	158	111
Dairy products										
Total milk	Bil. lb.	4/116.3	123.3	125.0	127.0	125.1	121.5	104	99	97
Cheese 5/	Mil. lb.	1,160	1,396	1,632	1,723	1,756	1,885	162	135	107
Condensed and evaporated milk	Mil. lb.	3,497	2,789	2,369	2,395	2,182	2,270	65	81	104
Ice cream (product weight)	Mil. lb.	2,758	3,212	3,444	3,546	3,634	3,680	133	115	101
Fats and oils - Total fat content 6/	Mil. lb.	7,627	11,070	13,684	14,053	14,269	14,690	193	133	103
Butter (actual weight)	Mil. lb.	1,611	1,477	1,453	1,468	1,343	1,155	72	78	86
Lard 7/	Mil. lb.	2,419	2,584	2,476	2,476	2,050	1,910	79	74	93
Margarine (actual weight)	Mil. lb.	839	1,549	1,794	1,857	1,904	2,105	251	136	111
Shortening	Mil. lb.	1,434	2,022	2,584	2,664	2,764	3,040	212	150	110
Other edible fats and oils 8/	Mil. lb.	3,912	7,297	10,038	10,395	11,138	11,850	303	162	106
Fruits										
Fresh:										
Citrus	Mil. lb.	8,783	6,695	4,852	5,688	6,410	6,686	76	100	104
Apples (commercial)	Mil. lb.	3,775	3,972	3,775	3,988	3,780	3,750	99	94	99
Other (excluding melons)	Mil. lb.	4,493	4,082	3,687	3,793	3,861	3,886	86	95	101
Processed:										
Canned fruit	Mil. lb.	2,597	3,591	4,371	5,418	4,712	5,184	200	144	110
Canned fruit juices	Mil. lb.	2,230	2,130	2,668	2,293	2,336	2,569	115	121	110
Frozen (including juice)	Mil. lb.	415	1,556	1,232	1,533	1,657	1,496	360	96	90
Dried	Mil. lb.	961	697	774	829	858	792	82	114	92
Vegetables 9/										
Fresh 10/	Mil. lb.	18,504	19,921	21,391	21,196	21,692	20,879	113	105	96
Canned	Mil. lb.	5,993	7,620	8,615	8,494	8,814	8,724	146	114	99
Frozen	Mil. lb.	439	1,183	1,455	1,507	1,778	1,756	400	148	99
Potatoes and sweetpotatoes										
Potatoes	Mil. cwt.	248	252	272	240	290	296	119	117	102
Frozen potato products	Mil. lb.	9	287	861	1,118	1,219	1,350	15,000	470	111
Sweetpotatoes	Mil. cwt.	25.3	18.2	15.8	15.3	18.7	16.2	64	89	87
Dry edible beans 11/	Mil. lb.	1,854	1,797	2,061	1,779	1,650	2,120	114	118	128
Dry field peas 11/	Mil. lb.	401	376	476	474	405	342	85	91	84
Melons 10/	Mil. lb.	4,061	4,454	4,742	4,292	4,490	4,225	104	95	94
Sugar, raw basis	1,000 tons	2,066	2,732	4,870	5,587	5,371	5,425	263	199	101
Grains										
Wheat	Mil. bu.	1,251	1,178	1,142	1,291	1,327	1,296	104	110	98
Rye	Mil. bu.	23.1	28.3	29.2	33.3	33.3	27.3	118	96	82
Rice, rough	Mil. cwt.	35.3	45.7	66.1	70.3	73.1	76.9	218	168	105
Corn, grain only	Mil. bu.	2,787	3,409	4,092	3,584	4,171	4,097	147	120	98
Oats	Mil. bu.	1,282	1,248	979	880	959	836	65	67	87
Barley	Mil. bu.	278	448	406	403	412	394	142	88	96
Peanuts, farmers' stock	Mil. lb.	2,128	1,613	2,022	2,205	2,503	2,399	113	149	96

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated.
2/ Based on the best available information but subject to revision in line with later data from the Crop Reporting Board.
3/ Includes an allowance for nonfarm production.
4/ Includes an allowance for nonfarm production of 1.1 billion pounds in 1947-49.
5/ Excludes full skim, cottage, pot, and bakers' cheese.
6/ Includes butter, lard, and "other edible fats and oils."
7/ Includes amount used in manufactured food and nonfood products.
8/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils, oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items.
9/ Excludes potatoes and sweetpotatoes.
10/ Covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use.
11/ Cleaned basis.

Table 21.--Retail price indexes and Consumer Price Index, selected periods

(1957-59=100)

Year and month	Food at home																	Food away from home	All food	Consumer Price Index
	Meats			Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total					
	Beef and veal	Pork	Total 1/						Fresh	Processed	Total									
1935-39	36.5	43.2	37.8	68.7	28.9	60.3	45.9	65.4	37.3	50.2	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7		
1947-49	86.8	92.8	86.7	132.5	86.4	122.7	88.3	117.9	78.4	88.6	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5		
1950	97.0	87.8	91.4	126.1	89.0	104.7	84.7	94.2	76.6	81.7	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8		
1951	113.3	93.1	103.6	132.1	101.6	127.4	94.5	110.3	83.1	92.4	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5		
1952	112.4	92.1	102.6	132.6	99.0	116.3	98.5	93.5	96.6	91.0	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5		
1953	88.6	102.5	95.8	129.3	95.3	123.2	96.8	93.9	91.1	93.2	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2		
1954	85.3	105.7	95.3	116.7	95.8	103.1	93.7	98.9	89.3	92.6	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6		
1955	84.4	91.0	87.7	121.5	93.9	106.5	93.6	95.9	91.0	93.4	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3		
1956	83.1	86.4	84.8	106.5	93.8	105.9	96.0	98.0	96.3	96.3	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7		
1957	89.2	99.5	94.2	103.8	95.0	100.9	98.8	102.4	97.0	94.2	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0		
1958	103.8	106.1	104.9	102.6	101.6	106.1	100.3	101.2	104.0	100.8	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7		
1959	106.9	94.4	101.0	93.5	103.4	92.9	101.0	96.5	99.1	105.0	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5		
1960	104.2	93.8	99.2	95.0	103.5	100.1	103.2	92.1	105.2	101.4	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1		
1961	102.5	98.2	100.5	85.8	105.8	100.1	104.8	98.6	103.5	105.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.2		
1962	106.2	99.1	102.5	90.7	110.2	94.6	104.1	98.5	106.3	102.6	105.0	107.6	101.4	89.3	102.2	110.7	103.6	105.4		
1963	105.0	96.6	100.9	89.3	110.0	96.0	103.8	95.7	112.6	108.3	111.0	109.1	110.1	90.4	103.5	113.2	105.1	106.7		
1964 6/	101.9	96.1	99.4	87.3	107.4	95.0	104.7	95.4	119.2	110.8	115.3	109.6	115.5	101.4	104.7	115.2	106.4	108.1		
1965:	106.8	109.4	106.9	90.0	110.6	92.8	105.0	102.9	121.7	107.3	115.2	111.2	113.5	100.6	107.2	117.8	108.8	109.9		
Jan.	103.1	96.2	100.1	86.7	109.3	91.6	105.6	100.7	115.7	108.6	112.4	111.1	113.5	103.3	104.8	116.1	106.6	108.9		
Feb.	102.4	97.0	100.0	89.2	110.1	86.1	105.2	102.2	118.2	107.5	113.3	110.7	113.3	103.0	104.8	116.3	106.6	108.9		
Mar.	102.6	97.4	100.3	88.9	109.9	83.5	105.0	102.5	122.2	106.9	115.3	110.9	113.6	101.5	105.0	116.5	106.9	109.0		
Apr.	102.6	97.5	100.4	89.0	110.1	88.6	104.5	103.4	126.4	106.7	117.6	111.0	113.7	100.4	105.5	116.8	107.3	109.3		
May	103.9	98.6	101.3	87.4	110.3	87.5	104.2	103.6	133.5	106.2	121.4	110.8	113.7	99.8	106.2	116.9	107.9	109.6		
June	109.6	108.9	108.0	93.5	110.4	83.9	104.0	103.9	141.6	105.8	125.9	111.0	113.9	100.2	108.8	117.2	110.1	110.1		
July	110.9	117.2	111.6	93.0	110.8	87.2	104.3	103.5	138.6	106.1	124.3	111.1	113.8	100.2	109.7	117.6	110.9	110.2		
Aug.	110.1	119.9	112.5	92.3	111.1	90.5	105.0	103.3	121.2	106.4	114.6	111.1	113.9	100.4	108.6	118.2	110.1	110.0		
Sept.	109.8	119.9	112.5	92.0	111.0	98.6	105.3	103.1	110.2	106.7	108.5	111.3	113.8	100.1	108.0	118.8	109.7	110.2		
Oct.	109.1	118.8	111.8	89.5	111.1	103.5	105.5	103.0	109.7	107.4	108.5	111.3	113.8	99.8	107.8	119.2	109.7	110.4		
Nov.	108.3	118.3	111.3	89.5	111.3	102.6	105.8	102.9	111.2	108.8	109.9	111.4	112.4	99.5	107.8	119.6	109.7	110.6		
Dec.	108.9	122.8	113.3	89.4	111.5	109.6	106.1	102.8	112.2	110.0	111.0	112.2	112.0	99.5	108.9	119.9	110.6	111.0		
1966:																				
Jan.	109.4	130.9	116.6	90.2	112.0	105.0	106.6	103.4	112.5	110.3	111.3	113.0	111.0	99.2	109.8	120.4	111.4	111.0		
Feb.	111.4	133.2	118.8	97.5	113.1	109.1	107.0	103.9	121.5	110.6	116.5	113.2	110.6	99.2	111.8	120.8	113.1	111.6		
Mar.	113.9	131.7	119.8	99.2	114.7	108.5	108.1	105.4	122.8	110.8	117.4	113.6	110.8	99.3	112.6	121.2	113.9	112.0		
Apr.	115.1	124.6	118.1	98.8	116.1	105.9	108.9	106.2	127.1	111.0	119.8	114.1	110.8	99.8	112.7	121.6	114.0	112.5		
May	113.3	121.6	116.3	95.9	118.2	98.8	109.3	107.1	126.3	110.6	119.2	114.3	111.0	100.2	112.0	122.2	113.5	112.6		
June	112.8	123.9	116.6	96.3	118.0	89.1	109.6	106.9	131.1	110.1	121.7	114.7	110.6	100.8	112.3	122.8	113.9	112.9		
July	112.2	125.0	116.6	97.1	118.5	93.9	111.0	106.9	131.2	109.6	121.5	114.8	110.7	100.8	112.7	123.5	114.3	113.3		
Aug.	112.3	125.9	116.9	96.5	119.6	110.5	114.8	107.5	132.4	109.6	122.3	117.3	110.9	100.9	114.4	124.0	115.8	113.8		
Sept.	112.7	126.4	117.2	95.9	120.3	111.8	116.0	108.6	122.5	109.4	116.6	118.4	111.3	100.6	114.0	124.6	115.6	114.1		
Oct.																				
Nov.																				
Dec.																				
	Seasonally adjusted 7/																			
Jan.	108.5	132.8	116.8	90.3	111.6	101.1	105.9	---	116.7	---	113.9	---	---	---	110.0	---	111.6	---		
Feb.	110.7	135.4	119.4	97.8	112.4	106.4	106.7	---	123.4	---	117.7	---	---	---	111.8	---	113.1	---		
Mar.	114.1	135.4	121.3	100.0	114.7	111.4	108.0	---	122.9	---	117.4	---	---	---	112.9	---	114.2	---		
Apr.	116.0	128.9	119.9	100.9	116.0	109.9	109.4	---	123.8	---	117.7	---	---	---	113.2	---	114.3	---		
May	114.7	125.2	118.7	98.7	118.1	109.2	110.2	---	120.1	---	115.3	---	---	---	112.6	---	114.0	---		
June	115.2	126.2	118.7	96.3	118.1	100.9	110.7	---	121.4	---	115.8	---	---	---	112.4	---	114.0	---		
July	113.3	122.3	116.3	97.2	118.7	101.6	111.6	---	118.4	---	113.9	---	---	---	111.3	---	113.2	---		
Aug.	112.0	120.7	114.9	98.0	120.0	113.4	114.9	---	131.0	---	121.4	---	---	---	113.9	---	115.5	---		
Sept.	111.6	120.3	114.5	96.5	120.9	101.9	115.8	---	129.2	---	121.0	---	---	---	113.7	---	115.3	---		
Oct.																				
Nov.																				
Dec.																				

1/ Beef, veal, lamb and mutton, pork, and processed meat.
2/ Unadjusted index includes turkey beginning 1964; seasonally adjusted indexes are for frying chicken only.
3/ Includes butter.
4/ Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI.
5/ Data not collected prior to 1953.
6/ Revised beginning January 1964; for first time item selection and quantity weights reflect the buying pattern of one-person families.
7/ Discussed in "Seasonally Adjusted Retail Food Price Indexes," by Stephen J. Hiemstra. National Food Situation, NFS-117, August 1966. (Reprinted as ERS-311.)

Bureau of Labor Statistics.

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No. 2, Organization and Competition in the Poultry and Egg Industries. 118 pp. (40 cents)
No. 3, Organization and Competition in the Dairy Industry. 409 pp. ($1.25)
No. 4, Organization and Competition in the Fruit and Vegetable Industry. 392 pp. ($1.25)
No. 5, Organization and Competition in the Milling and Baking Industries. 167 pp. (50 cents)
No. 6, Studies of Organization and Competition in Grocery Manufacturing. 270 pp. (75 cents)
No. 7, Organization and Competition in Food Retailing. 568 pp. ($1.50)
No. 8, The Structure of Food Manufacturing, a report by the Staff of the Federal Trade Commission. 292 pp. ($1.00)
No. 9, Cost Components of Farm-Retail Price Spreads for Foods. 55 pp. (25 cents)
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1/ Unless otherwise indicated, items listed are Economic Research Service publications and single copies may be obtained free from the Division of Information, Office of Management Services, U.S. Department of Agriculture, Washington, D.C. 20250. 2/ For sale by Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. 3/ May be obtained from Information Division, Agricultural Research Service, Federal Center Building, Hyattsville, Maryland 20781. 4/ May be obtained free from Department of Agricultural Economics, University of Florida, Gainsville, Florida 32601. 5/ May be purchased for $2.00 from University of California, Berkeley, California.

Single copies of the Supplement for 1965 to U.S. Food Consumption, Statistical Bulletin No. 364, may be obtained free from the Division of Information, OMS, U.S. Department of Agriculture, Washington, D.C. 20250. This publication contains only the information needed to update and revise tables in the original bulletin.

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